

**SUPERIOR COURT OF CALIFORNIA  
COUNTY OF SAN FRANCISCO**

**Document Scanning Lead Sheet**

Jul-20-2018 12:32 pm

Case Number: CGC-18-568256

Filing Date: Jul-20-2018 12:16

Filed by: ROSSALY DELAVEGA

Image: 06424392

COMPLAINT

ELIZABETH HURST VS. ONE KINGS LANE LLC ET AL

001C06424392

**Instructions:**

Please place this sheet on top of the document to be scanned.

**SUMMONS  
(CITACION JUDICIAL)**

SUM-100

FOR COURT USE ONLY  
(SOLO PARA USO DE LA CORTE)

**NOTICE TO DEFENDANT:  
(AVISO AL DEMANDADO):**

ONE KINGS LANE LLC; ONE KINGS LANE INC.; BED BATH & BEYOND INC.; and DOES 1-20, inclusive

**YOU ARE BEING SUED BY PLAINTIFF:  
(LO ESTÁ DEMANDANDO EL DEMANDANTE):**

ELIZABETH HURST, Individually, As a Private Attorney General, and/or On Behalf of All Others Similarly Situated

**NOTICE!** You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), the California Courts Online Self-Help Center ([www.courtinfo.ca.gov/selfhelp](http://www.courtinfo.ca.gov/selfhelp)), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

**AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services ([www.lawhelpcalifornia.org](http://www.lawhelpcalifornia.org)), en el Centro de Ayuda de las Cortes de California ([www.sucorte.ca.gov](http://www.sucorte.ca.gov)) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 o más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:

(El nombre y dirección de la corte es): San Francisco Superior Court  
400 McAllister Street, San Francisco, California 94102

CASE NUMBER:  
(Número del Caso)

CGC-18-56825

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):  
Daniel M. Hattis, Esq., P.O. Box 1645, Bellevue, Washington 98009; tel.: (650) 980-1990

DATE: July 20, 2018  
(Fecha)

JUL 20 2018

CLERK OF THE COURT

Clerk, by  
(Secretario)

Deputy  
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons (POS-010)).

[SEAL]



**NOTICE TO THE PERSON SERVED. You are served**

1. ☐ as an individual defendant.  
2. ☐ as the person sued under the fictitious name of (specify):

☐ on behalf of (specify):

- under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)  
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)  
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)  
☐ other (specify):

4. ☐ by personal delivery on (date):

BY FAX  
ONE LEGAL LLC

DE LA VEGA-NAVARRO, Rosaly

1 Daniel M. Hattis (SBN 232141)  
2 HATTIS & LUKACS  
3 P.O. Box 1645  
4 Bellevue, Washington 98009  
5 Telephone: (650) 980-1990  
6 Facsimile: (425) 412-7171  
7 Email: [dan@hattislaw.com](mailto:dan@hattislaw.com)

8 Paul Karl Lukacs (SBN 197007)  
9 HATTIS & LUKACS  
10 1401 Twenty-First Street, Suite 400  
11 Sacramento, California 95811  
12 Telephone: (916) 282-9364  
13 Facsimile: (916) 444-8723  
14 Email: [pk1@hattislaw.com](mailto:pk1@hattislaw.com)

15 Attorneys for Plaintiff and the Proposed Class

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA

17 CITY AND COUNTY OF SAN FRANCISCO

18 UNLIMITED CIVIL

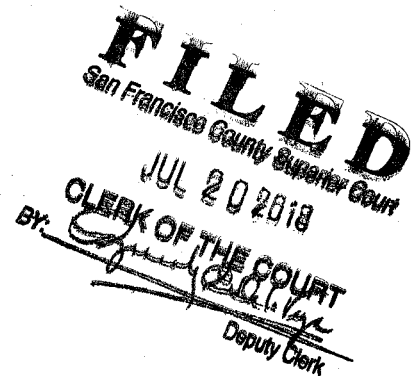
19 ELIZABETH HURST,  
20 Individually, As a Private Attorney  
21 General, and/or On Behalf of All Others  
22 Similarly Situated,

23 Plaintiff,

24 v.

25 ONE KINGS LANE LLC;  
26 ONE KINGS LANE INC.;  
27 BED BATH & BEYOND INC.;  
28 and DOES 1-20, inclusive,

Defendants.



Case No. CGC-18-568256

CLASS ACTION

COMPLAINT FOR:

1. Violation of Consumers Legal Remedies Act, California Civil Code §1750 *et seq.*
2. Violation of False Advertising Law, California Business & Professions Code §17500 *et seq.*
3. Violation of Business & Professions Code § 17501
4. Violation of Unfair Competition Law, California Business & Professions Code §17200 *et seq.*
5. Permanent Public Injunctive Relief

JURY TRIAL DEMANDED

BY FAX  
ONE LEGAL LLC

COMPLAINT

1 Plaintiff ELIZABETH HURST, demanding trial by jury as to all issues so triable, alleges  
2 as follows, on personal knowledge and/or on information and belief, against Defendant One  
3 Kings Lane LLC, Defendant One Kings Lane Inc., Defendant Bed Bath & Beyond Inc. and/or  
4 Defendants Doe 1 through Doe 20, inclusive:

5 **I. INTRODUCTION AND SUMMARY**

6 1. Defendant Bed Bath & Beyond Inc. must be kicking itself for purchasing One  
7 Kings Lane, an online retailer of home furnishings.

8 2. Defendant Bed Bath & Beyond Inc. knew at all relevant times that something was  
9 not right. One Kings Lane had been a venture capital darling, a white-hot private investment that,  
10 in 2014, was valued at more than \$800 million. Yet, in or around June 2016, Bed Bath & Beyond  
11 was able to purchase One Kings Lane for a paltry \$11.6 million in cash.

12 3. Why the enormous discount? Because One Kings Lane was never what it seemed  
13 — and Bed Bath & Beyond knew it when it bought the company.

14 4. One Kings Lane started as a “flash sale” site with products offered for only a short  
15 duration, but it then evolved into a more traditional retail site with a catalog of continuously  
16 offered products with aggressively advertised and perpetual deep discounts. One Kings Lane’s  
17 executives sometimes seemed better at hype than at steering the company through a changing  
18 economy. And One Kings Lane’s pricing policy was misleading, deceptive and unlawful, based,  
19 as it was, on online promotion of steep but false discounts and referring to false or misleading  
20 reference prices for its “discounted” products.

21 5. Bed Bath & Beyond knew about One Kings Lane’s false discounting policies when  
22 Bed Bath & Beyond conducted its pre-acquisition due diligence and when it acquired One Kings  
23 Lane. On information and belief, One Kings Lane’s misconduct was factored into the acquisition  
24 price and was one reason why One Kings Lane sold for a pittance.

25 6. To its credit, Bed Bath & Beyond’s interest in purchasing One Kings Lane led to  
26 One Kings Lane’s somewhat cleaning up its act. On information and belief, at the insistence of  
27 Bed Bath & Beyond (which began to dominate One Kings Lane prior to the acquisition), One  
28

1 Kings Lane ceased much – but not all – of its false reference pricing. One Kings Lane is now a  
2 mere instrumentality of Bed Bath & Beyond, as One Kings Lane receives benefits and resources  
3 from Bed Bath & Beyond and could not survive as an independent commercial entity.

4 7. Bed Bath & Beyond is liable for the misconduct of One Kings Lane which  
5 occurred before the acquisition and is liable for that lesser quantum of misconduct which  
6 continued and continues to occur. In acquiring One Kings Lane and in converting it into a mere  
7 instrumentality of the larger corporation, Bed Bath & Beyond made its bed, and now Bed Bath &  
8 Beyond must lie in it.

9 8. As a direct and proximate result of these violations, Plaintiff Elizabeth Hurst and  
10 the proposed Class have suffered injury in fact and lost money. They paid more than they  
11 otherwise would have paid for the products they purchased from One Kings Lane. One Kings  
12 Lane's false reference pricing scheme fraudulently increased demand for its products, enabling it  
13 to charge higher prices than it otherwise could have charged.

14 9. Consequently, Plaintiff Elizabeth Hurst brings this action on her own behalf as a  
15 deceived One Kings Lane customer; as a private attorney general seeking the imposition of public  
16 injunctive relief against Defendants; and as a representative plaintiff in this class action seeking,  
17 among other things, to recover damages and/or that Defendants be ordered to disgorge all  
18 revenues they have unjustly received from the proposed Class due to their intentional and  
19 unlawful pattern and practice of using false reference prices.

20 **II. PARTIES**

21 10. Plaintiff Elizabeth Hurst is an individual and a natural person residing in the  
22 consolidated City and County of Lexington, State of Kentucky.

23 11. Defendant One Kings Lane LLC is an active limited liability company chartered  
24 under the laws of the State of Delaware with its principal physical place of business located in the  
25 County of New York, State of New York. Defendant One Kings Lane LLC is authorized to,  
26 among other things, sue and be sued in the State of California. On or about March 5, 2018, the  
27 California Secretary of State registered One Kings Lane LLC to do business in the State of  
28

1 California (No. 201806510341).

2 12. Defendant One Kings Lane Inc. is or was a corporation of indeterminate current  
3 status which is or was chartered under the laws of the State of Delaware. At various times, One  
4 Kings Lane Inc. has informed the California Secretary of State that its physical place of business  
5 was in the County of Los Angeles, State of California, the City and County of San Francisco,  
6 State of California, the County of New York, State of New York, and in the County of Union,  
7 State of New Jersey. As of the date of the filing of this complaint, the state and county in which  
8 One Kings Lane Inc. currently physically resides is unknown to plaintiff. From December 2,  
9 2009, to March 5, 2018, Defendant One Kings Lane Inc. was registered to conduct business in the  
10 State of California. On or about March 5, 2018, One Kings Lane Inc. surrendered its right to do  
11 business in California, providing a "mailing address to mail copies of legal service" in the County  
12 of Union, State of New Jersey.

13 13. Defendant Bed Bath & Beyond Inc. is a corporation chartered under the laws of  
14 the State of New Jersey with its principal physical place of business in the County of Union, State  
15 of New Jersey. Defendant Bed Bath & Beyond Inc. is the owner, purchaser, controller, successor  
16 and/or assign of Defendant One Kings Lane LLC and/or Defendant One Kings Lane Inc. At all  
17 relevant times, Defendant Bed Bath & Beyond Inc. either aided and abetted the unlawful actions  
18 of Defendant One Kings Lane LLC and/or Defendant One Kings Lane Inc., purchased the  
19 liability of Defendant One Kings Lane LLC and/or Defendant One Kings Lane Inc. as pled  
20 herein, and/or is otherwise directly, contributorily, vicariously, derivatively and/or otherwise  
21 liable for the acts or omissions of Defendant One Kings Lane LLC and/or Defendant One Kings  
22 Lane Inc. pled herein.

23 14. Defendants Doe 1 through Doe 20, inclusive, aided and/or abetted Defendant One  
24 Kings Lane LLC, Defendant One Kings Lane Inc. and/or Defendant Bed Bath & Beyond Inc. in  
25 such a manner that Doe 1 through Doe 20, inclusive, are each directly, contributorily, vicariously,  
26 derivatively and/or otherwise liable for the acts or omissions of Defendant One Kings Lane LLC,  
27 Defendant One Kings Lane Inc. and/or Defendant Bed Bath & Beyond Inc. pled herein. Plaintiff  
28 is currently unaware of the true identities of Does 1 through Doe 20, inclusive; upon learning the

COMPLAINT

1 true identities of Does 1 through Doe 20, inclusive, Plaintiff anticipates either freely amending  
2 the operative complaint or requesting leave from the Court to amend the operative complaint.

3 **III. JURISDICTION, VENUE AND APPLICABLE LAW**

4 15. This Court has subject matter jurisdiction over this civil action pursuant to, among  
5 other bases, Section 10 of Article VI of the California Constitution.

6 16. This Court has personal jurisdiction over each of the defendants pursuant to,  
7 among other bases, California Code of Civil Procedure section 410.10.

8 17. Venue is proper in the San Francisco Superior Court because, without limitation,  
9 none of the defendants currently resides in the State of California (and/or plaintiff is unaware of  
10 the residence of Defendant One Kings Lane Inc.) and, therefore, plaintiff designates the San  
11 Francisco Superior Court as the venue for this civil action. With regard to the count under the  
12 California Consumer Legal Remedies Act, venue is proper in the San Francisco Superior Court  
13 because, among other reasons, each Defendant is doing business in the City and County of San  
14 Francisco, State of California.

15 18. According to the One Kings Lane terms and conditions in effect at the relevant  
16 times, One Kings Lane and all online customers of One Kings Lane agreed that the laws of the  
17 State of California (without regard to the State of California's conflict of laws principles) would  
18 apply to any dispute between One Kings Lane and a customer and that any court proceedings in  
19 such a dispute would occur in the state or federal courts of the City and County of San Francisco,  
20 State of California.

21 **IV. PLAINTIFFS' FACTUAL ALLEGATIONS**

22 19. On April 20, 2014, Elizabeth Hurst purchased three paintings from the One Kings  
23 Lane website for a total of \$593.00 plus shipping, at an advertised discount of \$957.00 from the  
24 purported regular price of \$1,550.00. Ms. Hurst's email order receipt stated "You saved \$957.00  
25 today!"

26 20. On May 7, 2014, Ms. Hurst purchased a Finn Flat-Weave Rug, Item Number  
27 NUL12699, from the One Kings Lane website for \$459.00, at an advertised discount of \$441.00  
28

1 from the purported regular price of \$900.00. Ms. Hurst's email order receipt stated "You saved  
2 \$441.00 and received free shipping!"

3 21. On October 30, 2014, Ms. Hurst purchased Green Masako Earrings, Item Number  
4 EWE10074, and Sweet Pea Coral Earrings, Item Number BBJ10175, for a total of \$110.00 plus  
5 shipping, at an advertised discount of \$55.00 from the purported regular price of \$165.00. Ms.  
6 Hurst's email order receipt stated "You saved \$55.00 today!"

7 22. Ms. Hurst purchased each of these products for personal, family or household use.

8 23. With regard to each of the above purchases, Ms. Hurst saw the false reference  
9 price and false claims of savings for each product, believed each reference price and advertised  
10 discount to be true, and relied upon the false reference price and advertised discount, which was a  
11 significant reason why she purchased each item.

12 24. But the advertised discounts for these products were false because the reference  
13 prices were fabricated and inflated and did not represent One Kings Lane's true regular or former  
14 selling prices for the products.

15 25. Ms. Hurst reasonably relied on One Kings Lane's material representations  
16 concerning the purported discounts on these products, causing her damages. One Kings Lane's  
17 false discount advertising caused Ms. Hurst to pay more than she otherwise would have paid. Ms.  
18 Hurst did not receive the actual discounts One Kings Lane promised her, and the products were  
19 not in fact worth the amount that One Kings Lane had represented to her.

20 26. If Ms. Hurst had known the truth, she would have acted differently.

21 27. The false or misleading nature of Defendants' discounts and reference pricing was,  
22 at all relevant times, masked or concealed or hidden such that an ordinary and reasonable  
23 consumer would not have known of their false or misleading nature.

24 28. Ms. Hurst first learned of the deceptive and misleading nature of Defendants'  
25 discounts in 2018. Ms. Hurst's learning of the false or misleading nature of Defendants' discounts  
26 or reference pricing was either when an ordinary and reasonable consumer should have learned  
27 about the false or misleading nature or was in excess of the standard of care of the ordinary and  
28 reasonable consumer.



1           29.     On March 27, 2018, Ms. Hurst, through counsel, served notice upon One Kings  
2 Lane of her claims, in particular her claims under the California Consumers Legal Remedies Act.  
3 A true and correct copy of the letter is attached hereto as **Exhibit A**.

4           30.     Plaintiff has a legal right to rely, now and in the future, upon the truthfulness and  
5 accuracy of Defendants' representations regarding discounts or reference pricing. Plaintiff will be  
6 harmed if, in the future, she is left to guess as to whether Defendants are providing accurate  
7 discounts and reference prices. Defendants' misconduct is in danger of continuing, re-occurring  
8 or increasing in the future.

9     **V.     REFERENCE PRICING OVERVIEW**

10          31.     A "reference price" is a stated price presented alongside the retailer's actual sales  
11 price, which retailers use to convince consumers that they are getting a good deal.

12          32.     Over the past forty years, a substantial body of research on the effects of reference  
13 prices (also referred to in the relevant literature as "advertised reference prices," "external  
14 reference prices," and "comparative prices") shows that reference prices: (i) impact consumers'  
15 perceptions of the value of the sales deal; (ii) impact consumers' willingness to make the  
16 purchase; (iii) decrease consumers' intentions to search for a lower price; and (iv) allow sellers  
17 that utilize reference prices to charge higher prices and make increased sales. Consumers form an  
18 "internal reference price," also known as an "expected price," an "aspirational price" (a price the  
19 consumer would like to pay), or a "normative price" (a price that is "fair"). Consumers store and  
20 retrieve the "internal reference price" from memory to judge the merits of a specific price offer.  
21 Even where an advertised reference price is exaggerated and not itself completely believed,  
22 perceptions of value increase in comparison to a promotion with no advertised reference price.  
23 Thus, retailers' use of reference prices influences consumers' "internal reference price," and  
24 subsequently, increases consumers' willingness to purchase the product.<sup>1</sup>

25  
26 <sup>1</sup> See, e.g., Rajesh Chandrashekar & Dhruv Grewal, *Assimilation of Advertised Reference*  
27 *Prices: The Moderating Role of Involvement*, 79 J. Retailing 53 (2003); Pilsik Choi & Keith S.  
28 Coulter, *It's Not All Relative: The Effects of Mental and Physical Positioning of Comparative*  
*Prices on Absolute Versus Relative Discount Assessment*, 88 J. Retailing 512 (2012); Larry D.  
Compeau & Dhruv Grewal, *Comparative Price Advertising: An Integrative Review*, 17 J. Pub.  
Pol'y & Mktg. 257 (1998); Larry D. Compeau, Dhruv Grewal & Rajesh Chandrashekar,

33. When a reference price is bona fide and truthful, it may help consumers in making informed purchasing decisions. In contrast, consumers are harmed when merchants advertise their products with inflated and false reference prices, because the false reference prices deceive consumers, deprive consumers of a fair opportunity to accurately evaluate the offer, and result in purchasing decisions based on false pretenses.

34. False reference pricing causes consumers to pay more than they otherwise would have paid for products. False reference pricing also fraudulently increases consumer demand for products, enabling retailers to charge higher prices than they otherwise could have charged.

35. Beyond the adverse impact upon consumers' welfare, the practice of employing false reference pricing also negatively affects the integrity of competition in retail markets. A retailer's use of false reference prices constitutes an unfair method of competition, injuring honest competitors that sell the same or similar products, or otherwise compete in the same market, using valid and accurate reference prices.

## **VI. LAWS PROHIBITING FALSE REFERENCE PRICING**

36. In addition to California's Unfair Competition Law and False Advertising Law which generally forbid unfair business practices and false advertising (i.e., Business and Professions Code sections 17200 *et seq.* and 17500 *et seq.*), the California Legislature has specifically prohibited false reference pricing: "No price shall be advertised as a former price of any advertised thing, unless the alleged former price was the prevailing market price ... within three months next immediately preceding the publication of the advertisement or unless the date

---

*Comparative Price Advertising: Believe It or Not*, 36 J. Consumer Aff. 284 (2002); David Friedman, *Reconsidering Fictitious Pricing*, 100 Minn. L. Rev. 921 (2016); Dhruv Grewal & Larry D. Compeau, *Consumer Responses to Price and its Contextual Information Cues: A Synthesis of Past Research, a Conceptual Framework, and Avenues for Further Research*, in 3 Rev. of Mktg. Res. 109 (Naresh K. Malhotra ed., 2007); Daniel J. Howard & Roger A. Kerin, *Broadening the Scope of Reference Price Advertising Research: A Field Study of Consumer Shopping Involvement*, 70 J. Mktg. 185 (2006); Aradhna Krishna, Richard Briesch, Donald R. Lehmann & Hong Yuan, *A Meta-Analysis of the Impact of Price Presentation on Perceived Savings*, 78 J. Retailing 101 (2002); Balaji C. Krishnan, Sujay Dutta & Subhash Jha, *Effectiveness of Exaggerated Advertised Reference Prices: The Role of Decision Time Pressure*, 89 J. Retailing 105 (2013); and Tridib Mazumdar, S. P. Raj & Indrahit Sinha, *Reference Price Research: Review and Propositions*, 69 J. Mktg. 84 (2005).

1 when the alleged former price did prevail is clearly, exactly and conspicuously stated in the  
2 advertisement.” Cal. Bus. & Prof. Code § 17501.

3 37. With respect to sales to consumers for household purposes, the California  
4 Consumers Legal Remedies Act prohibits “[m]aking false or misleading statements of fact  
5 concerning reasons for, existence of, or amounts of, price reductions.” Cal. Civ. Code §  
6 1770(a)(13).

7 38. The Federal Trade Commission (“FTC”) has also specifically identified false  
8 reference pricing schemes, like Defendants’, as deceptive.

9 (a) One of the most commonly used forms of bargain advertising is to offer a  
10 reduction from the advertiser’s own former price for an article. If the former price  
11 is the actual, bona fide price at which the article was offered to the public on a  
12 regular basis for a reasonably substantial period of time, it provides a legitimate  
13 basis for the advertising of a price comparison. Where the former price is genuine,  
14 the bargain being advertised is a true one. If, on the other hand, the former price  
being advertised is not bona fide but fictitious -- for example, where an artificial,  
inflated price was established for the purpose of enabling the subsequent offer of a  
large reduction -- the “bargain” being advertised is a false one; the purchaser is not  
receiving the unusual value he expects.

15 16 C.F.R. § 233.1.

16 39. Reference prices such as those of One Kings Lane are viewed both under the law  
17 and by the reasonable consumer to refer to One Kings Lane’s own former sales prices for those  
18 products. *Id.*; see also 4 Cal. Code Reg. § 1301.

19 40. If sellers instead intend their reference prices to stand for the price at which *that*  
20 *product* is offered by *other retailers*, then they must use descriptive and adjacent qualifiers such  
21 as “Compare At” (which One Kings Lane does not utilize). However, “Compare At” should only  
22 be used when an advertiser “is selling below the prices being charged in his area for a *particular*  
23 *article*.” 16 C.F.R. § 233.2(a-b); see also *People v. Overstock.com, Inc.*, 12 Cal. App. 5th 1064,  
24 1081-1083 (2017).

25 41. If sellers intend their reference prices to stand for the price at which a *similar (but*  
26 *not identical) product* is offered by other retailers, then they must use descriptive and adjacent  
27 qualifiers such as “Compare Similar” or “Comparable Value” (which One Kings Lane does not  
28 utilize). In such cases, the item must be “of essentially similar quality” and “[t]he advertiser

1 should, however, be reasonably certain, just as in the case of comparisons involving the same  
2 merchandise, that the price advertised as being the price of comparable merchandise does not  
3 exceed the price at which such merchandise is being offered by representative retail outlets in the  
4 area.” 16 C.F.R. § 233.2(c); see also *People v. Overstock.com, Inc.*, 12 Cal. App. 5th at 1081-  
5 1082 (2017).

6 42. California state and federal courts have repeatedly enforced the unfair competition  
7 and false advertising statutes in California to prohibit false reference pricing schemes such as that  
8 utilized by One Kings Lane. The Court of Appeal in *People v. Overstock.com*, in affirming a trial  
9 verdict against Overstock.com for violation of the UCL and FAL through its use of false  
10 reference prices, highlighted the effects that false reference pricing has on consumers’ behavior  
11 and the ways in which such practices are misleading. 12 Cal. App. 5th at 1073 (2017). The Court  
12 of Appeal in *Overstock* explained that as reference prices increase, “‘internal reference prices,’ or  
13 the price that a consumer senses something costs, also increase. Likewise, consumers’ perception  
14 of product quality and the ‘perceived value’ of the product, or ‘the overall value that the  
15 consumer attaches to the product,’ increase ...” *Id.* The result is that “consumers are less likely to  
16 continue comparison shopping and are more likely to decide to purchase the product.” *Id.*  
17 Notably, “[t]hese effects are not limited to unsophisticated or gullible consumers; rather, the vast  
18 majority of consumers are subject to them.” *Id.*

19 43. The Court of Appeal’s decision in *Overstock* resonates with numerous federal  
20 decisions which acknowledge the misleading effect false reference prices have on customers and  
21 which uphold such claims under the FAL and the fraudulent prong of the UCL. For example, the  
22 Ninth Circuit in *Hinojos v. Kohl’s Corp.*, explained:

23 Most consumers have, at some point, purchased merchandise that was marketed as being  
24 “on sale” because the proffered discount seemed too good to pass up. Retailers, well  
25 aware of consumers’ susceptibility to a bargain, therefore have an incentive to lie to their  
26 customers by falsely claiming that their products have previously sold at a far higher  
27 “original” price in order to induce customers to purchase merchandise at a purportedly  
28 marked-down “sale” price. Because such practices are misleading — and effective — the  
California legislature has prohibited them.

718 F.3d 1098, 1101, 1105-06 (9th Cir. 2013) (citing Dhruv Grewal & Larry D. Compeau,

1 *Comparative Price Advertising: Informative or Deceptive?*, 11 J. of Pub. Policy & Mktg. 52, 55  
2 (Spring 1992)).

3 **VII. COMMON FACTUAL ALLEGATIONS OF ONE KINGS LANE'S SCHEME**

4 44. The experience of Plaintiff Elizabeth Hurst is typical of millions of Californians  
5 and tens of millions of consumers throughout the United States and abroad. Consequently,  
6 Plaintiff Elizabeth Hurst brings this lawsuit on behalf of herself individually, as a private attorney  
7 general, and/or also as a class action on behalf of all others similarly situated.

8 45. For several years through May 6, 2016, One Kings Lane perpetrated a massive  
9 false discount advertising scheme across virtually all of the products offered for sale on its  
10 website. One Kings Lane's practice was to advertise a strike-through reference price (reflecting  
11 One Kings Lane's purported regular price for the item), adjacent to a much lower sales price. One  
12 Kings Lane typically advertised discounts of at least 33% off the reference price.

13 46. For example, see the screenshot below of a One Kings Lane website offer  
14 webpage taken on February 1, 2016:

## VINTAGE

## Lighting

Showing 1742 Results

Follow This Category

Sort

## CATEGORIES

## All Things Vintage

Furniture

Rugs

Decorative Accents

Art

Wall Decor

Lighting

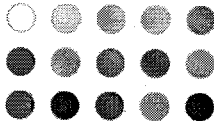
Tabletop &amp; Kitchen

Textiles

Books

Jewelry &amp; Accessories

## COLOR



## PRICE

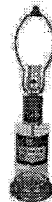
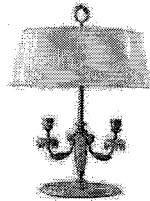
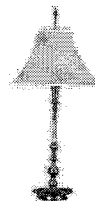
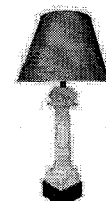
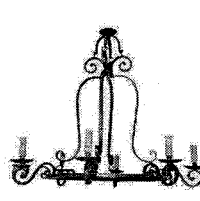
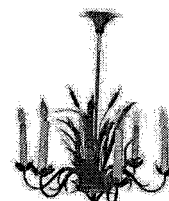
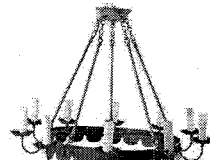


## FEATURED

## All Products

New This Week

Clearance

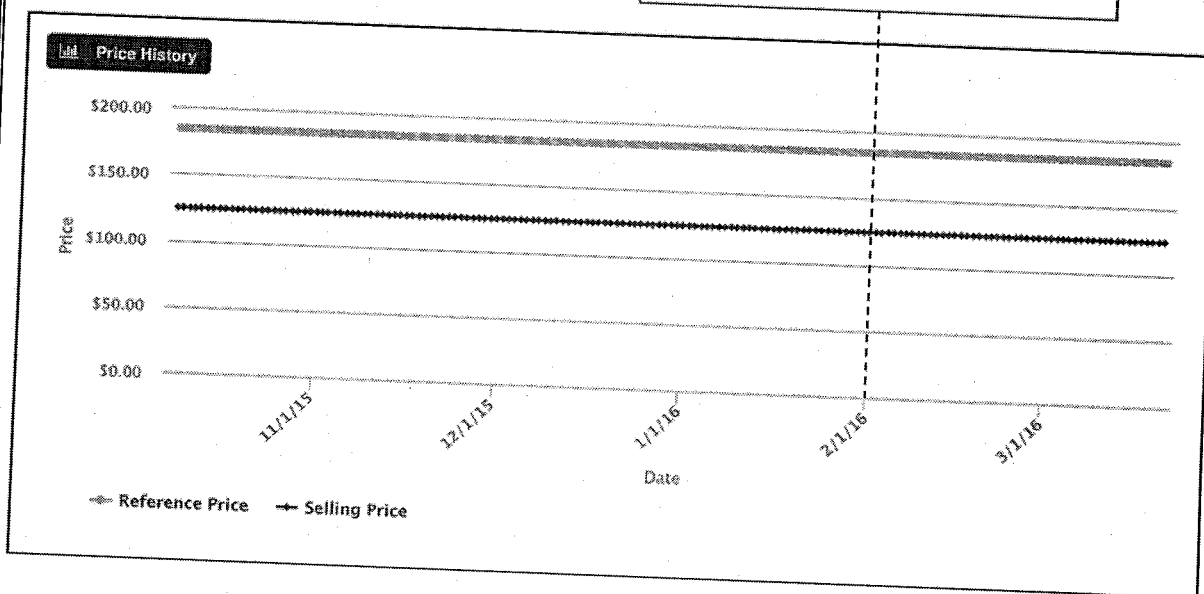
VINTAGE / 1920s EAGLE LAMP  
\$125 \$145VINTAGE / FRENCH ANTIQUE APOTHECARY BELL  
\$529 \$699VINTAGE / RUSSIAN AMBER DROP & CRYSTAL CHANDELIER  
\$2,995 \$4,995VINTAGE / ALCON LIMOGES  
Candelabra Lamp w/ Metal Shade  
\$395 \$595VINTAGE / BRASS  
Candelstick Lamp  
\$695 \$895VINTAGE / NO. 5007 YVES  
Carved Alabaster Column Lamp  
\$615 \$875VINTAGE / ALCON LIMOGES  
Green Lantern  
\$2,385 \$3,495VINTAGE / 8 LIGHT WROUGHT IRON CHANDELIER  
\$4,705 \$6,995VINTAGE / FRENCH CHANDELIER BY MAISON CH...  
\$2,695 \$4,495VINTAGE / FAUX-MALACHITE & BRASS LAMPS, P...  
\$1,795 \$3,495VINTAGE / BLACK 10-LIGHT CHANDELIER  
\$1,625 \$2,495VINTAGE / LOUIS XV-STYLE ROCK CRYSTAL CHANDELIER  
\$2,095 \$3,495

47. In fact, the advertised discounts are false, because One Kings Lane virtually never

1 charges the reference prices for the products, and the purportedly “discounted” prices are actually  
2 One Kings Lane’s regular prices for those products.

3 48. For example, see the following price history chart for the 1920s Eagle Lamp,  
4 ProductId 4157187, for the period October 9, 2015 through March 21, 2016:

5 2/1/2016



26 49. One Kings Lane’s fraudulent scheme includes false discounts on its own  
27 proprietary branded products, such as the One Kings Lane Collection and the Celandine and  
28 Delfinia product lines.

1           50.     During the period through May 6, 2016, approximately 85% of the over 50,000  
2 products offered daily on the One Kings Lane website were advertised with discounts from a  
3 reference price, and virtually 100% of these advertised discounts were false. One Kings Lane  
4 almost never previously offered the products at the claimed reference prices.

5           51.     Indeed, One Kings Lane's conduct was so rampant and consistent that the conduct  
6 must have been intentional and central to One Kings Lane's marketing and business plans.

7           52.     Starting on or about May 7, 2016, One Kings Lane appears to have lessened its  
8 reliance on these illegal false discounting practices. This timing coincided with Defendant Bed  
9 Bath & Beyond Inc.'s purchase of One Kings Lane, which was consummated in June 2016. Since  
10 on or about May 7, 2016, up to around 10% of the products offered on the One Kings Lane  
11 website have been falsely advertised with bogus discounts, reduced from the previous 85% of  
12 products.

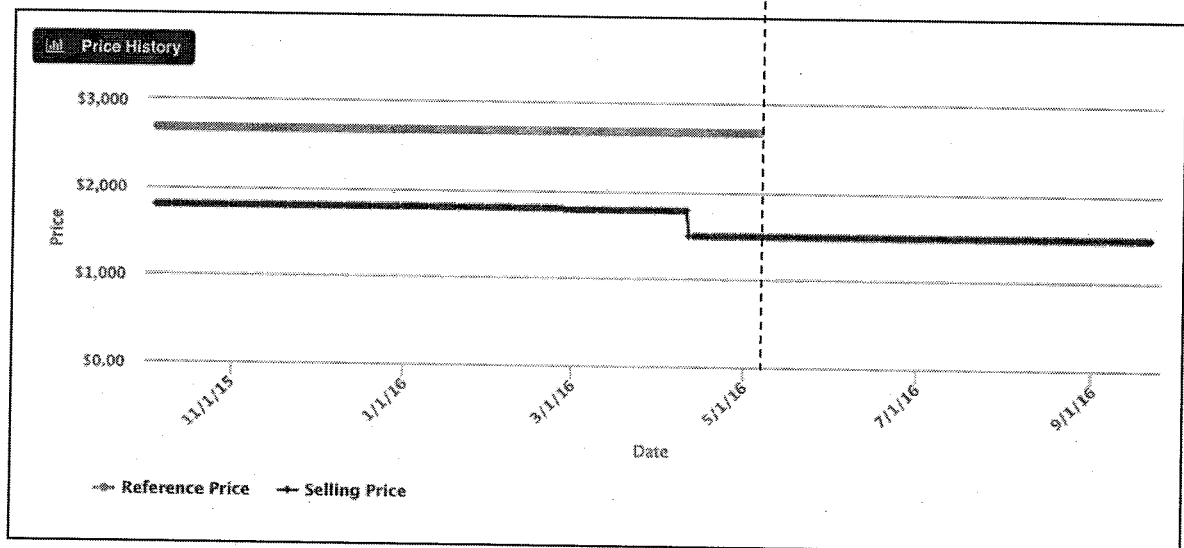
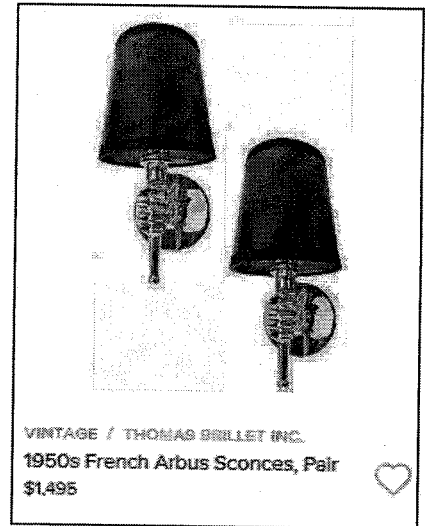
13           53.     Notably, on May 7, 2016, for those products where One Kings Lane then  
14 eliminated the false reference prices, One Kings Lane maintained the exact same selling price for  
15 the products and simply eliminated the advertised reference price altogether.

16           54.     For example, see the following price history chart for the period October 5, 2015  
17 through September 22, 2016, for the 1950s French Arbus Sconces, ProductId 3951461:  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28



5/6/2016

5/7/2016



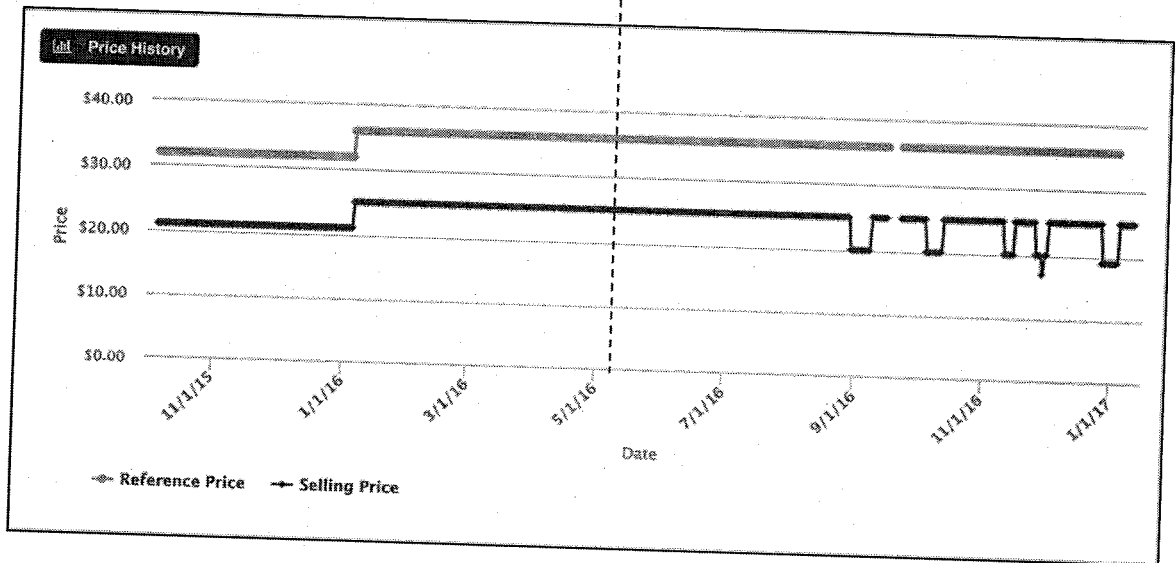
55. One Kings Lane continued to falsely advertise discounts for up to around 10% of its products through and continuing past the May 7, 2016, date, as exemplified by the below price history chart for the Basiluzzo Citrus Basil Candle, ItemId 2968376:



BARONESSA CALI  
Basiluzzo Citrus Basil Candle, Bl...  
\$25 ~~\$38~~

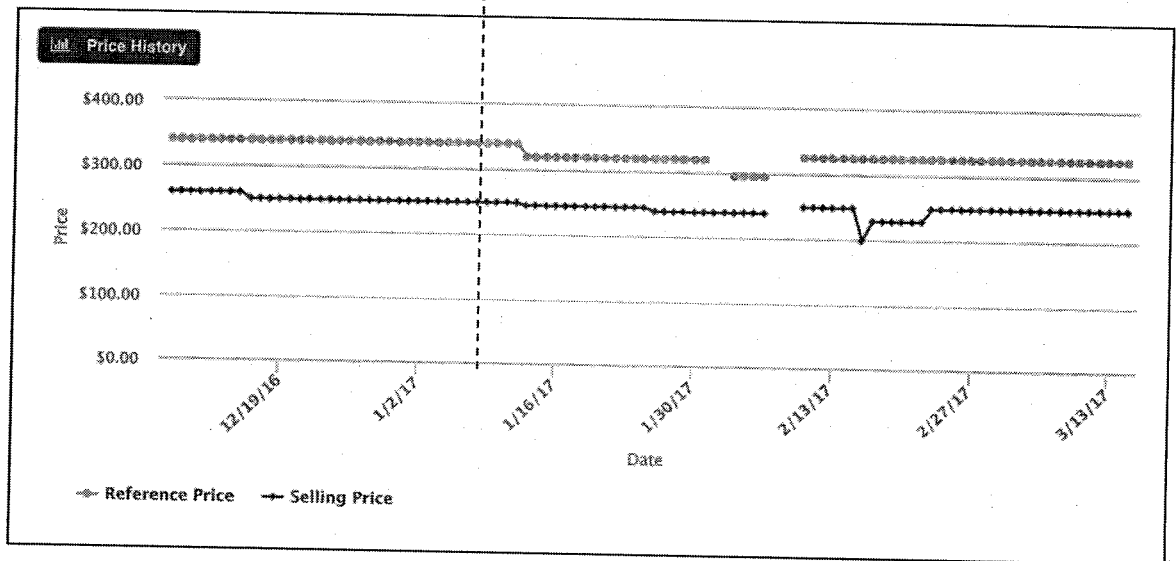


5/7/2016



56. One Kings Lane also continues to this day to falsely discount many of its proprietary products. For example, see the below price history chart for the One Kings Lane Collection Melrose Table Lamp, ItemId 4607845, for the period December 8, 2016 through March 15, 2017:

1  
2 1/8/2017  
3  
4  
5  
6  
7  
8  
9  
10



57. One Kings Lane's false discount advertising scheme has caused customers to pay more than they bargained for because they do not get the actual discount One Kings Lane promises them.

58. One Kings Lane's advertising scheme fraudulently increases demand for its products and thereby enables One Kings Lane to charge higher prices than it otherwise could have charged.

1           59. At all relevant times, Defendant Bed Bath & Beyond Inc. was aware of,  
2 participated in and reaped benefits from One King's Lane false discounting. On information and  
3 belief, Bed Bath & Beyond Inc. learned of One Kings Lane's unlawful conduct during Bed Bath  
4 & Beyond's pre-acquisition due diligence investigation into One Kings Lane.

5           60. On information and belief, at the instance of Bed Bath & Beyond Inc., One Kings  
6 Lane engaged in a substantial – but not entire – revamp of its reference pricing, bringing much  
7 but not all of its reference pricing in line with the law.

8           61. On information and belief, one reason why Bed Bath & Beyond Inc. received such  
9 a bargain in its acquisition of One Kings Lane was because Bed Bath & Beyond Inc. knew it was  
10 acquiring a company with significant potential liability for false advertising and with deep-rooted  
11 false and misleading practices.

12           62. Since the revamp, One Kings Lane has continued to engage in false reference  
13 pricing (although at a far lower rate than prior to the acquisition), and Bed Bath & Beyond Inc.  
14 was, is and continues to be aware of the problem. Bed Bath & Beyond Inc. continues by its acts  
15 and omissions to allow One Kings Lane to engage in its remaining false advertising. All false or  
16 misleading reference pricing at One Kings Lane could be stopped if Bed Bath & Beyond Inc. so  
17 ordered and/or enforced such order, yet Bed Bath & Beyond Inc. has not so ordered and/or has  
18 not enforced its order, and One Kings Lane continues to engage in some false or misleading  
19 reference pricing.

20           63. Bed Bath & Beyond Inc. dominates and controls One Kings Lane LLC and One  
21 Kings Inc. and all affiliates. Bed Bath & Beyond Inc. determines One Kings Lane's business  
22 strategy and is the final arbiter of what One Kings Lane can and cannot do. Bed Bath & Beyond  
23 Inc. has effectively merged or consolidated with One Kings Lane Inc. and One Kings Lane LLC.  
24 Bed Bath & Beyond Inc. is, at least in part, a continuation of One Kings Lane LLC and One  
25 Kings Lane Inc.

26           64. Bed Bath & Beyond Inc.'s domination of One Kings Lane began prior to Bed Bath  
27 & Beyond Inc.'s acquisition. During the pre-acquisition due diligence, Bed Bath & Beyond Inc.  
28 began to dominate One Kings Lane with regard to its business operations, including, for example,

1 Bed Bath & Beyond Inc.'s insistence that One Kings Lane cease much (but not all) of its false  
2 reference pricing in order for the acquisition to be consummated.

3 65. Bed Bath & Beyond Inc. provides and uses its corporate resources to capitalize or  
4 provide services to One Kings Lane, which could not sustain itself for any commercially  
5 reasonable length of time as an independent and solvent business. For example, legal issues  
6 regarding One Kings Lane are handled by Bed Bath & Beyond Inc.'s in-house legal department  
7 and also by Bed Bath & Beyond Inc.'s outside counsel.

8 66. One Kings Lane has ceased to be an independent and separate business and is now  
9 a mere instrumentality of Bed Bath & Beyond Inc. The purpose and function of One Kings Lane  
10 is to increase the market share and viability of Bed Bath & Beyond Inc.

11 67. At certain times before the acquisition and at all times after the acquisition, Bed  
12 Bath & Beyond Inc. has aided, abetted and/or ratified all relevant acts and omissions of One  
13 Kings Lane. For example, while Bed Bath & Beyond Inc. caused One Kings Lane to make certain  
14 changes in its false reference pricing, Bed Bath & Beyond Inc. has through its acts and omissions  
15 failed to stamp out all of One Kings Lane's false advertising.

16 68. In addition and/or in the alternative, Bed Bath & Beyond Inc. and One Kings Lane  
17 are alter egos. The two sets of businesses share common personnel and resources. One Kings  
18 Lane is undercapitalized. One Kings Lane's observance of corporate formalities is insufficient to  
19 maintain its corporate separateness. Bed Bath & Beyond Inc. is responsible for financial and/or  
20 other injections into or benefits to One Kings Lane.

21 69. Each of the Defendants is primarily engaged in the business of selling or leasing  
22 goods or services. Each cause of action brought by Plaintiff and the Class against each Defendant  
23 in this pleading arises from statements or conduct by each Defendant that consist of  
24 representations of fact about each Defendant's business operations, goods or services that is made  
25 for the purpose of obtaining approval for, promoting, or securing sales or leases of, or commercial  
26 transactions in each Defendant's goods or services or the statement was made in the course of  
27 delivering each Defendant's goods or services. Each cause of action brought by Plaintiff and the  
28 Class against each Defendant in this pleading arises from statements or conduct by each

1 Defendant for which the intended audience is an actual or potential buyer or customer, or a person  
2 likely to repeat the statements to, or otherwise influence, an actual or potential buyer or customer.

3 70. Defendants are not a neutral marketplace. Defendants select which products and  
4 services are sold on the One Kings Lane website and which products and services are not sold on  
5 the One Kings Lane website. Defendants determine what reference prices appear or do not appear  
6 on the One Kings Lane website.

7 71. All or some of the false reference prices displayed by Defendants are created or  
8 developed, in whole or in part, by Defendants, who materially contributed to the falsity and  
9 unlawfulness of the reference prices. For example, the Defendants created and continue to create  
10 reference prices, including in regard to One Kings Lane-branded or proprietary products; some or  
11 all of those reference prices were and are false, and Defendants know that the false reference  
12 prices were and are false. Similarly, while Defendants rely on a network of independent vendors  
13 to supply some of the goods advertised on the One Kings Lane website (and, in some cases, to  
14 drop ship the goods directly to the consumer), One Kings Lane — not the independent vendor —  
15 decides whether or not that vendor's goods are sold through One Kings Lane, whether or not a  
16 reference price is displayed for those goods, and, if a reference price is displayed, whether or not  
17 the reference price is true or false. As with all reference prices of goods which One Kings Lane  
18 has previously sold, One Kings Lane knows whether or not the reference prices are false.

19 72. The One Kings Lane website does not display a suggested retail price and/or did  
20 not display suggested retail prices for some or all of the time that Plaintiff or the Class were  
21 purchasing products from One Kings Lane. To the extent that Defendants displayed reference  
22 prices in conjunction with the sale of goods or services, Defendants did not state in a manner  
23 cognizable to the ordinary consumer that the reference price was a suggested retail price. The One  
24 Kings Lane website did not use any phrases such as "Suggested Retail Price," "List Price,"  
25 "Retail Price" or "MSRP." Plaintiff did not understand the One Kings Lane reference prices to be  
26 suggested retail prices; ordinary consumers did not understand the One Kings Lane reference  
27 prices to be suggested retail prices.  
28

1           73. Plaintiff Elizabeth Hurst first discovered the nature of the Defendants' misconduct  
2 and the nature of the harm she had incurred due to the Defendants' misconduct within the past 12  
3 months. Most of the members of the Class — indeed, almost all of the members of the Class —  
4 still have not discovered the nature of the Defendants' misconduct and the nature of the harm  
5 each Class member has incurred due to the Defendants' misconduct. Defendants' misconduct is  
6 by its nature concealed and difficult to discover, and the Defendants actively concealed their  
7 wrongdoing. For example, ordinary consumers would not have access to the One Kings Lane  
8 historical sales data which shows that One Kings Lane was knowingly posting false reference  
9 prices on its proprietary products. Defendants' misconduct was and is of such a type and nature  
10 that it is impossible or unreasonable for an ordinary consumer to discover the misconduct and the  
11 harm.

12 **VIII. CLASS ACTION ALLEGATIONS**

13           74. Plaintiff brings this class action lawsuit on behalf of herself and the members of  
14 the following class (the "Class"):

15                   **All consumers who purchased, between April 18, 2014, and the present, from**  
16                   **One Kings Lane one or more products which One Kings Lane advertised or**  
17                   **promoted as being subject to a discount or reference price.**

18           75. Due to the fact, without limitation, that One Kings Lane required consumers to  
19 agree that their purchase was governed by California law (without regard to its conflict-of-law  
20 principles) and that any court proceedings occur in the state or federal courts of San Francisco,  
21 California, the Class is a worldwide class of all One Kings Lane customers during the time period  
22 stated in the class definition. (A tolling agreement commenced on April 18, 2018.)

23           76. Specifically excluded from the Class are the Defendants and any entities in which  
24 a Defendant has a controlling interest, each Defendant's agents and employees and attorneys, the  
25 bench officers to whom this civil action is assigned, and the members of each bench officer's staff  
26 and immediate family.

27           77. ***Numerosity.*** Plaintiff does not know the exact number of Class members but is  
28 informed and believes that the Class easily comprises millions of consumers. As such, Class

1 members are so numerous that joinder of all members is impracticable.

2 78. **Commonality and predominance.** Well-defined, nearly identical legal or factual  
3 questions affect the members of the Class. These questions predominate over questions that might  
4 affect individual Class members. These common questions include, but are not limited to, the  
5 following:

6 a. One Kings Lane's pattern, practice, policy and/or scheme of advertising or  
7 promoting false or misleading discounts or reference prices;

8 b. Whether Plaintiff and the Class have suffered injury and have lost money  
9 or property as a result of such false or misleading discounts or reference prices;

10 c. Bed Bath & Beyond's knowledge of One Kings Lane's false or misleading  
11 discounts or reference prices;

12 d. Bed Bath & Beyond's liability for One Kings Lane's false or misleading  
13 discounts or reference prices; and/or

14 e. Whether Defendants should be enjoined from further engaging in the  
15 misconduct alleged herein.

16 79. **Typicality.** Plaintiff's claims are typical of Class members' claims. Plaintiff and  
17 Class members all sustained injury as a direct result of Defendants' practices and schemes.

18 80. **Adequacy.** Plaintiff will fairly and adequately protect Class members' interests.  
19 Plaintiff has no interests antagonistic to Class members' interests. Plaintiff has retained counsel  
20 who has considerable experience and success in prosecuting complex class action and consumer  
21 protection cases.

22 81. **Superiority.** A class action is the superior method for fairly and efficiently  
23 adjudicating this controversy for the following reasons, without limitation:

24 a. Class members' interests are relatively small compared to the burden and  
25 expense required to litigate each of their claims individually, so it would be impracticable for  
26 Class members to seek individual redress for Defendants' illegal and deceptive conduct;

27 b. Even if Class members could afford individual litigation, the court system  
28 could not. Individual litigation creates the potential for inconsistent or contradictory judgments



1 and increases the delay and expense to all parties and to the court system. By contrast, a class  
2 action presents far fewer management difficulties and provides the benefits of single adjudication,  
3 economy of scale, and comprehensive supervision by a single court; and

4 c. Plaintiff anticipates no unusual difficulties in managing this class action.

5  
6 **CAUSES OF ACTION**

7 **COUNT I**

8 **Violation of the Consumers Legal Remedies Act**  
9 **(California Civil Code § 1750 *et seq.*)**  
10 **AGAINST ALL DEFENDANTS**

11 82. Plaintiff realleges and incorporates by reference Paragraphs 1 through 81,  
12 inclusive, as though alleged in this Count.

13 83. Plaintiff brings this claim individually, on behalf of the Class and as a private  
14 attorney general on behalf of the general public.

15 84. Each Defendant and each Doe defendant is a "person," as defined by California  
16 Civil Code § 1761(c).

17 85. Plaintiff is a "consumer," as defined by California Civil Code § 1761(d).

18 86. The items purchased from One Kings Lane by Plaintiff are "goods" as defined by  
19 California Civil Code § 1761(a) and (b).

20 87. Plaintiff's purchases from One Kings Lane each constitute a "transaction" as  
21 defined by Civil Code § 1761(e) and "a transaction intended to result or that results in the sale or  
22 lease of goods or services to any consumer," as per Civil Code § 1770(a).

23 88. Venue is proper in San Francisco Superior Court under California Civil Code  
24 section 1780(d) because, without limitation, (1) each Defendant is doing business in the City and  
25 County of San Francisco, State of California, and (2) each Defendant has consented to venue in  
26 the City and County of San Francisco, State of California. A declaration establishing that this  
27 Court has proper venue for this count is attached hereto as **Exhibit B**.

1           89. Defendants' misrepresentations, active concealment, and failures to disclose  
2 violated and continue to violate the California Consumers Legal Remedies Act ("CLRA") in  
3 ways including, but not limited to, the following:  
4           a. Defendants misrepresented that its products had characteristics, benefits, or  
5 uses that they did not have (Cal. Civ. Code § 1770(a)(5));  
6           b. Defendants advertised its products with an intent not to sell them as  
7 advertised (Cal. Civ. Code § 1770(a)(9));  
8           c. Defendants made false or misleading statements of fact concerning reasons  
9 for, existence of, or amounts of price reductions (Cal. Civ. Code § 1770(a)(13));  
10          d. Defendants misrepresented that its products conferred rights, remedies or  
11 obligations that they did not have (Cal. Civ. Code § 1770(a)(14));  
12          e. Defendants represented that its products were supplied in accordance with  
13 previous representations when they were not (Cal. Civ. Code § 1770(a)(16)); and  
14          f. Defendants inserted unconscionable provisions in its customer contracts  
15 (Cal. Civ. Code § 1770(a)(19)).

16          90. Defendants' misrepresentations and nondisclosures regarding its products were  
17 material to Plaintiff because Plaintiff considered, and a reasonable person would have considered,  
18 them important in deciding whether to purchase Defendants' products. Plaintiff reasonably relied  
19 upon Defendants' material misrepresentations and nondisclosures.

20          91. The Defendants had a duty to speak in a truthful or non-misleading manner.

21          92. As a direct and proximate result of Defendants' material misrepresentations and  
22 nondisclosures, Plaintiff and the Class have suffered damages and has lost money or property.  
23 Plaintiff and the Class paid more than they otherwise would have paid for the products they  
24 purchased from One Kings Lane. One King Lane's false reference pricing scheme fraudulently  
25 increased demand from consumers, enabling it to charge higher prices than it otherwise could  
26 have charged.

27          93. Defendants' misrepresentations and omissions deceive or have a tendency to  
28 deceive the general public, now, in the past and/or in the future.

94. On or about March 27, 2018, Plaintiff served One Kings Lane with written notice under the California Consumers Legal Remedies Act. Defendants have failed to provide appropriate relief for its CLRA violations within 30 days of its receipt of Plaintiff's demand notices. See **Exhibit A**.

95. Defendants should be ordered to pay actual damages to Plaintiff and to the Class in an amount at least equal to all monies improperly accepted, received or retained.

96. Defendants engaged in malice, fraud and/or oppression when Defendants decided to engage and did engage in the acts pled herein, and Defendants continue to act with malice, fraud or oppression in so doing.

97. Defendants should, either in the alternative or cumulatively or otherwise, be ordered to disgorge or make restitution of all monies improperly accepted, received or retained.

98. The balance of the equities favors the entry of permanent injunctive relief against Defendants. Plaintiff and the Class will be irreparably harmed absent the entry of permanent injunctive relief against Defendants. Plaintiff and the Class lack an adequate remedy at law. A permanent injunction against Defendants is in the public interest. Defendants' unlawful behavior is likely to reoccur absent the entry of a permanent injunction.

**COUNT II**  
**Violation of California's False Advertising Law**  
**(California Business and Professions Code § 17500 *et seq.*)**  
**AGAINST ALL DEFENDANTS**

99. Plaintiff realleges and incorporates by reference Paragraphs 1 through 81, inclusive, as though alleged in this Count.

100. Plaintiff brings this claim individually, on behalf of the Class and as a private attorney general on behalf of the general public.

101. Defendants have committed acts of untrue and misleading advertising, as defined by California Business and Professions Code section 17500 (the “False Advertising Law” or “FAL”), by engaging in the acts and practices described herein.

1           102. Each of the Defendants, with intent directly or indirectly to dispose of personal  
2 property or to perform services, or to induce the public to enter into any obligation relating  
3 thereto, makes, disseminates, has made or disseminated, causes to be made or disseminated,  
4 and/or has caused to be made or disseminated, before the public in the State of California, in any  
5 newspaper or other publication, or any advertising device, or by public outcry or by proclamation,  
6 or in any other manner or means, including over the Internet, statements concerning that personal  
7 property or those services, and/or concerning any circumstance or matter of fact connected with  
8 the proposed performance or disposition thereof, which are untrue or misleading and which are  
9 known (or which by the exercise of reasonable care should be known) to be untrue or misleading.

10           103. Defendants committed such violations of the False Advertising Law with actual  
11 knowledge that their advertising was untrue or misleading, or Defendants in the exercise of  
12 reasonable care should have known that their advertising was untrue or misleading.

13           104. The misrepresentations and omissions by each Defendant alleged herein were the  
14 type of misrepresentations and omissions that are regularly considered to be material, i.e., a  
15 reasonable person would attach importance to them and would be induced to act on the  
16 information in making purchase decisions. The Defendants had a duty to speak in a truthful or  
17 non-misleading manner.

18           105. Plaintiff reasonably relied upon Defendants' material misrepresentations and  
19 omissions in purchasing goods from Defendants.

20           106. As a direct and proximate result of these violations, Plaintiff and the Class suffered  
21 injury in fact and lost money. Plaintiff and the Class paid more than they otherwise would have  
22 paid for the products they purchased from One Kings Lane. One Kings Lane's false reference  
23 pricing scheme fraudulently increased demand from consumers, enabling it to charge higher  
24 prices than it otherwise could have charged.

25           107. Defendants' misrepresentations and omissions deceive or have a tendency to  
26 deceive the general public, in the past, now and/or in the future.

27           108. Defendants should be ordered to disgorge or make restitution of all monies  
28 improperly accepted, received or retained.

109. The balance of the equities favors the entry of permanent injunctive relief against Defendants. Plaintiff and the Class will be irreparably harmed absent the entry of permanent injunctive relief against Defendants. Plaintiff and the Class lack an adequate remedy at law. A permanent injunction against Defendants is in the public interest. Defendants' unlawful behavior is likely to reoccur absent the entry of a permanent injunction.

**COUNT III**  
**Violation of California Business and Professions Code § 17501**  
**AGAINST ALL DEFENDANTS**

110. Plaintiff realleges and incorporates by reference Paragraphs 1 through 81, inclusive, as though alleged in full in this Count.

111. Plaintiff brings this claim individually, on behalf of the Class and as a private attorney general on behalf of the general public.

112. Each defendant has engaged in false or misleading advertising in violation of the California Business and Professions Code § 17501.

113. Under Business and Professions Code § 17501 (“Section 17501”): “[n]o price shall be advertised as a former price of any advertised thing, unless the alleged former price was the prevailing market price ... within three months next immediately preceding the publication of the advertisement or unless the date when the alleged former price did prevail is clearly, exactly and conspicuously stated in the advertisement.”

114. Defendants have pervasively violated Section 17501 by advertising purported discounts while failing to satisfy either option provided for complying with the statute.

115. As alleged herein, Defendants have advertised purported former prices that were not the prevailing market prices for the items within the three months immediately preceding such advertisements.

116. Meanwhile, Defendants did not identify to consumers, let alone “clearly, exactly and conspicuously” identify, when, if ever, the advertised reference prices did prevail. In fact, Defendants provided no indication at all to consumers regarding whether or to what extent the

1 reference prices advertised were offered on a bona fide basis recently or at some time in the  
2 distant past.

3 117. Defendants committed such violations of Section 17501 with actual knowledge  
4 that their advertising was untrue or misleading, or Defendants in the exercise of reasonable care  
5 should have known that their advertising was untrue or misleading.

6 118. Plaintiff and the Class reasonably relied on Defendants' representations and/or  
7 omissions made in violation of the Section 17501.

8 119. As a direct and proximate result of these violations, Plaintiff and the Class suffered  
9 injury in fact and lost money. Plaintiff and the Class paid more than they otherwise would have  
10 paid for the products they purchased from Defendants. Defendants' false reference pricing  
11 scheme fraudulently increased demand from consumers, enabling Defendants to charge higher  
12 prices than it otherwise could have charged.

13 120. Unless restrained by this Court, Defendants will continue to engage in violations  
14 of Section 17501.

15 121. Plaintiff, individually and on behalf of the Class, seeks equitable relief in the form  
16 of an order requiring Defendants to disgorge or make restitution of all monies improperly  
17 accepted, received or retained.

18 122. The balance of the equities favors the entry of permanent injunctive relief against  
19 Defendants. Plaintiff, the Class and the general public will be irreparably harmed absent the entry  
20 of permanent injunctive relief against Defendants. Plaintiff, the Class and the general public lack  
21 an adequate remedy at law. A permanent injunction against Defendants is in the public interest.  
22 Defendants' unlawful behavior is ongoing as of the date of the filing of this pleading; absent the  
23 entry of a permanent injunction, Defendants' unlawful behavior will not cease and, in the unlikely  
24 event that it voluntarily ceases, is likely to reoccur.

**COUNT IV**  
**Violation of California's Unfair Competition Law**  
**(California Business and Professions Code § 17200 *et seq.*)**  
**AGAINST ALL DEFENDANTS**

123. Plaintiff realleges and incorporates by reference Paragraphs 1 through 122, inclusive, as though alleged in this Count.

124. Plaintiff brings this claim individually, on behalf of the Class and as a private attorney general on behalf of the general public.

125. Each Defendant's acts and omissions alleged herein constitute unlawful, unfair, or fraudulent business practices in violation of California Business and Professions Code section 17200 *et seq.* (the "Unfair Competition Law" or "UCL"). Each Defendant's acts and omissions pled herein violate the UCL and, without limitation, violated the UCL's unlawful prong by violating the CLRA, the FAL and/or the Federal Trade Commission's rules regarding discount advertising (found at Part 233 of Title 16 of the Code of Federal Regulations).

126. The misrepresentations and omissions by each Defendant alleged herein were the type of misrepresentations and omissions that are regularly considered to be material, i.e., a reasonable person would attach importance to them and would be induced to act on the information in making purchase decisions. The Defendants had a duty to speak in a truthful or non-misleading manner.

127. Plaintiff reasonably relied upon Defendants' material misrepresentations and omissions in purchasing goods from Defendants.

128. As a direct and proximate result of these violations, Plaintiff and the Class suffered injury in fact and lost money. Plaintiff and the Class paid more than they otherwise would have paid for the products they purchased from One Kings Lane. One Kings Lane's false reference pricing scheme fraudulently increased demand from consumers, enabling it to charge higher prices than it otherwise could have charged.

129. Defendants' misrepresentations and omissions deceive or have a tendency to deceive the general public, now, in the past and/or in the future.

130. Defendants should be ordered to disgorge or make restitution of all monies improperly accepted, received or retained.

131. The balance of the equities favors the entry of permanent injunctive relief against Defendants. Plaintiff and the Class will be irreparably harmed absent the entry of permanent injunctive relief against Defendants. Plaintiff and the Class lack an adequate remedy at law. A permanent injunction against Defendants is in the public interest. Defendants' unlawful behavior is likely to reoccur absent the entry of a permanent injunction.

**COUNT V**  
**Permanent Public Injunctive Relief**  
**(All Statutory, Inherent and Other Authority)**  
**AGAINST ALL DEFENDANTS**

132. Plaintiff realleges and incorporates by reference Paragraphs 1 through 131, inclusive, as though alleged in this Count.

133. Plaintiff brings this claim individually, on behalf of the Class and as a private attorney general on behalf of the general public.

134. If not enjoined by order of this Court, Defendants will continue to injure Plaintiff and consumers through the misconduct alleged herein. Defendants have a duty to speak truthfully or in a non-misleading manner.

135. Defendants continue to advertise up to around 10% of its One Kings Lane products using false or misleading discounts or reference prices.

136. Defendants' unlawful behavior is capable of repetition or re-occurrence, with Defendants' less-than-entire compliance with the law potentially abating.

137. Without an injunction, Plaintiff, consumers and the general public are left to guess as to which of One Kings Lane's prices are not false or misleading.

138. The balance of the equities favors the entry of permanent public injunctive relief against Defendants. Plaintiff and the Class will be irreparably harmed absent the entry of permanent public injunctive relief against Defendants. Plaintiff and the Class lack an adequate remedy at law. A permanent injunction against Defendants is in the public interest. Defendants' unlawful behavior is likely to reoccur absent the entry of a permanent injunction.



**PRAYER FOR RELIEF**

Plaintiff ELIZABETH HURST, on behalf of herself individually, as a private attorney general and/or on behalf of all others similarly situated, hereby respectfully requests that this Court order relief and enter judgment against Defendant One Kings Lane LLC, Defendant One Kings Lane Inc., Defendant Bed Bath & Beyond Inc. and/or Defendants Does 1 through 20, inclusive, individually and/or jointly and/or severally and/or as otherwise appropriate, as follows:

1. That the Court enter an order certifying the proposed Class and appointing Plaintiff and her counsel to represent the Class;

2. For damages, including actual damages to Plaintiff and the Class (which, because this is a class action brought in part under the Consumers Legal Remedies Act, cannot total less than \$1,000, and which Plaintiff estimates, upon information and belief, to be at least \$100 million);

3. For disgorgement or restitution, including, without limitation, disgorgement of all revenues, profits and/or unjust enrichment that each Defendant obtained, directly or indirectly, from Plaintiff and the Class or otherwise as a result of the unlawful conduct alleged herein (an amount which exceeds \$25,000 and which Plaintiff estimates, upon information and belief, to be at least \$100 million);

4. For punitive and exemplary damages to the extent allowed by law;

5. For nominal damages;

6. For an order that each Defendant be permanently enjoined from the unlawful conduct alleged herein;

7. For an order that each Defendant maintain records for at least two years from the date of advertisement of the source of the reference price for auditing purposes to ensure compliance with the ordered injunctive relief;

8. For an order that the Court retain jurisdiction to police Defendants' compliance with the permanent injunctive relief;

9. For pre-judgment and/or post-judgment interest to the extent allowed by law;

10. For attorneys' fees to the extent allowed by law;

11. For costs to the extent allowed by law; and/or

12. For such other relief as the Court deems just and proper including, without limitation, temporary or preliminary injunctive relief.

## JURY DEMAND

Plaintiff ELIZABETH HURST, on behalf of herself individually and on behalf of the Class, demands a trial by jury on all issues so triable.

Dated: July 20, 2018

Respectfully submitted,

Dal H. H.

Daniel M. Hattis

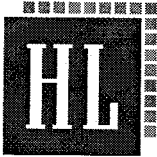
Daniel M. Hattis (SBN 232141)  
HATTIS & LUKACS  
P.O. Box 1645  
Bellevue, WA 98009  
Telephone: (650) 980-1990  
Facsimile: (425) 412-7171  
Email: [dan@hattislaw.com](mailto:dan@hattislaw.com)

Paul Karl Lukacs (SBN 197007)  
HATTIS & LUKACS  
1401 Twenty-First Street, Suite 400  
Sacramento, California 95811  
Telephone: (916) 282-9364  
Facsimile: (916) 444-8723  
Email: [pk1@hattislaw.com](mailto:pk1@hattislaw.com)

Attorneys for Plaintiff and the Proposed Class

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

# EXHIBIT A



HATTIS LAW  
P.O. Box 1645  
Bellevue, WA 98009  
Phone: 650.980.1990  
www.hattislaw.com

March 27, 2018

**VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED**

Debbie Propst, President  
One Kings Lane LLC  
315 Hudson Street  
New York, NY 10013

Agent for One Kings Lane LLC  
CSC – Lawyers Incorporating Service  
2710 Gateway Oaks Drive, Suite 150N  
Sacramento, CA 95833-3505

Re: Notice of Violation of California Consumers Legal Remedies Act and Unfair Competition Law  
My Client: Elizabeth Hurst

Dear Ms. Propst:

We represent Elizabeth Hurst, who purchased products from One Kings Lane LLC (“One Kings Lane”) which were advertised with false discounts from inflated and fake former prices. One Kings Lane violated California’s Consumers Legal Remedies Act (“CLRA”) and Unfair Competition Law (“UCL”) by perpetrating a massive false discount advertising scheme across virtually all of its products advertised as on sale on its website from at least 2014 through May 6, 2016. Since May 7, 2016, One Kings Lane has apparently lessened its reliance on this illegal practice, but has nonetheless continued to advertise false discounts on a substantial number of products. We send this letter to notify One Kings Lane of its wrongful conduct and to demand that One Kings Lane rectify its unlawful actions within fourteen (14) days of receipt of this letter.

**One Kings Lane’s false discount advertising scheme.**

For several years through May 6, 2016, One Kings Lane perpetrated a massive false discount advertising scheme across virtually all of the products offered for sale on its website. One Kings Lane’s practice was to advertise a strike-through reference price (reflecting One Kings Lane’s purported regular price for the item), adjacent to a much lower sales price. One Kings Lane typically advertises discounts of at least 33% off the reference price. For example, see the screenshot of a One Kings Lane website offer webpage taken on February 1, 2016, at **Exhibit A**.

In fact, the advertised discounts are false, because One Kings Lane virtually never charges the reference prices for the products, and the purportedly “discounted” prices are actually One Kings Lane’s regular prices for those products. For example, see the price history chart for the 1920s Eagle Lamp, ProductId 4157187, for the period October 9, 2015 through March 21, 2016, at **Exhibit B**. One Kings Lane’s fraudulent scheme includes false discounts on

its own proprietary branded products, such as the One Kings Lane Collection, and the Celandine and Delfinia product lines. During the period through May 6, 2016, approximately 85% of the over 50,000 products offered daily on the One Kings Lane website were advertised with discounts from a reference price, and virtually 100% of these advertised discounts were false. One Kings Lane in fact virtually *never* previously offered the products at the claimed reference prices. Indeed, One Kings Lane's conduct was so rampant and consistent that a reasonable inference can be drawn that the conduct was intentional and central to One Kings Lane's marketing and business plans.

Starting May 7, 2016, One Kings Lane appears to have lessened its reliance on these illegal false discounting practices. This timing coincided with Bed Bath & Beyond's purchase of One Kings Lane, which was consummated in June 2016. Since May 7, 2016, up to 10% of the products offered on the One Kings Lane website have been falsely advertised with bogus discounts, reduced from the previous 85% of products.

Notably, on May 7, 2016, for those products where One Kings Lane eliminated the false reference prices, One Kings Lane maintained the exact same selling price for the products and simply eliminated the advertised reference price altogether. For example, see the price history chart for the period October 5, 2015 through September 22, 2016, for the 1950s French Arbus Sconces, ProductId 3951461, at **Exhibit C**.

However, One Kings Lane continued to falsely advertise discounts for up to 10% of its products through and continuing past the May 7, 2016 date, as exemplified by the price history chart for the Basiluzzo Citrus Basil Candle, ItemId 2968376, at **Exhibit D**. One Kings Lane also continues to this day to falsely discount many of its proprietary products, such as the One Kings Lane Collection Melrose Table Lamp, ItemId 4607845; see the price history chart for the period December 8, 2016 through March 15, 2017 at **Exhibit E**.

One Kings Lane's false discount advertising scheme has caused customers to pay more than they bargained for because they do not get the actual discount One Kings Lane promises them. One Kings Lane's advertising scheme also fraudulently increases demand for its products and thereby enables One Kings Lane to charge higher prices than it otherwise could have charged.

#### **Elizabeth Hurst's purchases.**

On April 20, 2014, Elizabeth Hurst purchased three paintings<sup>1</sup> from the One Kings Lane website for a total of \$593.00 plus shipping, at an advertised discount of \$957.00 from the purported regular price of \$1,550.00. Ms. Hurst's email order receipt stated "You saved \$957.00 today!"

On May 7, 2014, Ms. Hurst purchased a Finn Flat-Weave Rug, Item Number NUL12699, from the One Kings Lane website for \$459.00, at an advertised discount of \$441.00 from the

<sup>1</sup> The paintings were Edgar Degas, Horses, Item Number APF12308; Michael Weeks, Pony Painter, Item Number TRB10584; and Boat Duo, Item Number SHF01652.

purported regular price of \$900.00. Ms. Hurst's email order receipt stated "You saved \$441.00 and received free shipping!"

On October 30, 2014, Ms. Hurst purchased Green Masako Earrings, Item Number EWE10074, and Sweet Pea Coral Earrings, Item Number BBJ10175, for a total of \$110.00 plus shipping, at an advertised discount of \$55.00 from the purported regular price of \$165.00. Ms. Hurst's email order receipt stated "You saved \$55.00 today!"

But the advertised discounts for these products were false because the reference prices were fabricated and inflated and did not represent One Kings Lane's true regular or former selling prices for the products.

Ms. Hurst reasonably relied on One Kings Lane's material representations concerning the purported discounts on these products, causing her damages. One Kings Lane's false discount advertising caused Ms. Hurst to pay more than she otherwise would have paid. Ms. Hurst did not get the actual discounts One Kings Lane promised her, and the products were not in fact worth the amount that One Kings Lane had represented to her.

The Terms of Use in effect on the One Kings Lane website specified that disputes "shall be governed by and construed in accordance with the laws of the state of California" and that "disputes shall be brought exclusively in courts located within the county of San Francisco, California."

**California Consumers Legal Remedies Act ("CLRA") Violations.**

One Kings Lane's material misrepresentations, active concealments, and failures to disclose violated the CLRA in the following manner:

1. One Kings Lane misrepresented that its products had characteristics, benefits, or uses that they did not have (Cal. Civ. Code § 1770(a)(5));
2. One Kings Lane advertised its products with intent not to sell them as advertised (Cal. Civ. Code § 1770(a)(9));
3. One Kings Lane made false or misleading statements of fact concerning reasons for, existence of, or amounts of price reductions (Cal. Civ. Code § 1770(a)(13));
4. One Kings Lane misrepresented that its products conferred or involved rights, remedies, or obligations that they did not have (Cal. Civ. Code § 1770(a)(14));
5. One Kings Lane misrepresented that its products were supplied in accordance with previous representations when they were not (Cal. Civ. Code § 1770(a)(16)); and
6. One Kings Lane inserted unconscionable provisions in its consumer agreements (Cal. Civ. Code § 1770(a)(19)).

**Demand.**

We demand that within fourteen (14) days of receiving this letter, One Kings Lane agree to: (1) refrain from engaging in the illegal and deceptive practices described above; and (2) compensate all One Kings Lane customers who have been harmed by these practices. If One Kings Lane fails to comply with this demand within fourteen (14) days after its receipt of this letter, then we intend to seek from One Kings Lane compensatory and punitive damages, restitution and any other appropriate equitable relief.

We sincerely hope to confer with you to resolve these violations without the need for litigation and/or to enter into a litigation tolling agreement to enable such discussions without prejudicing the parties or the potential class. I invite you to contact me to discuss this demand at any time.

I can be reached at (650) 980-1990 or [dan@hattislaw.com](mailto:dan@hattislaw.com).

Very truly yours,

A handwritten signature in black ink, appearing to read 'Dan Hattis', with a long horizontal line extending to the right.

Daniel M. Hattis

Enclosures: Stated

**EXHIBIT A**

**Screenshot of Offer Webpage from February 1, 2016**

ONE KINGS LANE

Search

LOG IN/SIGN UP

LIVING

BEDROOM & BATH

DINING & KITCHEN

RUGS

LIGHTING

ART & DECOR

OUTDOOR

GIFTS & JEWELRY

VINTAGE

CLEARANCE

STYLE GUIDE

VINTAGE

Lighting

Showing 1742 Results

Follow This Category

Sort

CATEGORIES

All Things Vintage

Furniture

Rugs

Decorative Accents

Art

Wall Decor

Lighting

Tabletop & Kitchen

Textiles

Books

Jewelry & Accessories

COLOR

PRICE

\$0

\$2,500+

FEATURED

All Products

New This Week

Clearance

VINTAGE / HOUSE OF EMERSON

1920s Eagle Lamp

\$125 ~~\$165~~

VINTAGE / HOUSE OF EMERSON

French Antique Apothecary Bottl...

\$525 ~~\$695~~

VINTAGE / MELISSA STEPHENSON ANTIQUES

Italian Amber Drop & Crystal Cha...

\$2,995 ~~\$4,500~~

VINTAGE / ALORIS LIGHTWORKS

Candelabra Lamp w/ Metal Shade

\$395 ~~\$495~~

VINTAGE / OS-CON

Brass Candelstick Lamp

\$695 ~~\$895~~

VINTAGE / NEW YORK THE'S

Carved Alabaster Column Lamp

\$515 ~~\$795~~

VINTAGE / ALORIS LIGHTWORKS

Green Lantern

\$2,395 ~~\$3,495~~

VINTAGE / DENVER THE'S ANTIQUES

8-Light Wrought Iron Chandelier

\$4,705 ~~\$6,295~~

VINTAGE / ANNELOUS DESIGN

French Chandelier by Maison Ch...

\$2,895 ~~\$4,495~~

VINTAGE / BLISSFUL THE ARTIST

Faux-Malachite & Brass Lamps, P...

\$1,795 ~~\$2,495~~

VINTAGE / HOUSE OF EMERSON

Black 10-Light Chandelier

\$1,829 ~~\$2,895~~

VINTAGE / ANNELOUS DESIGN

Louis XV-Style Rock Crystal Cha...

\$3,995 ~~\$5,495~~

https://www.onekingslane.com/home/vintage/lighting/page=2

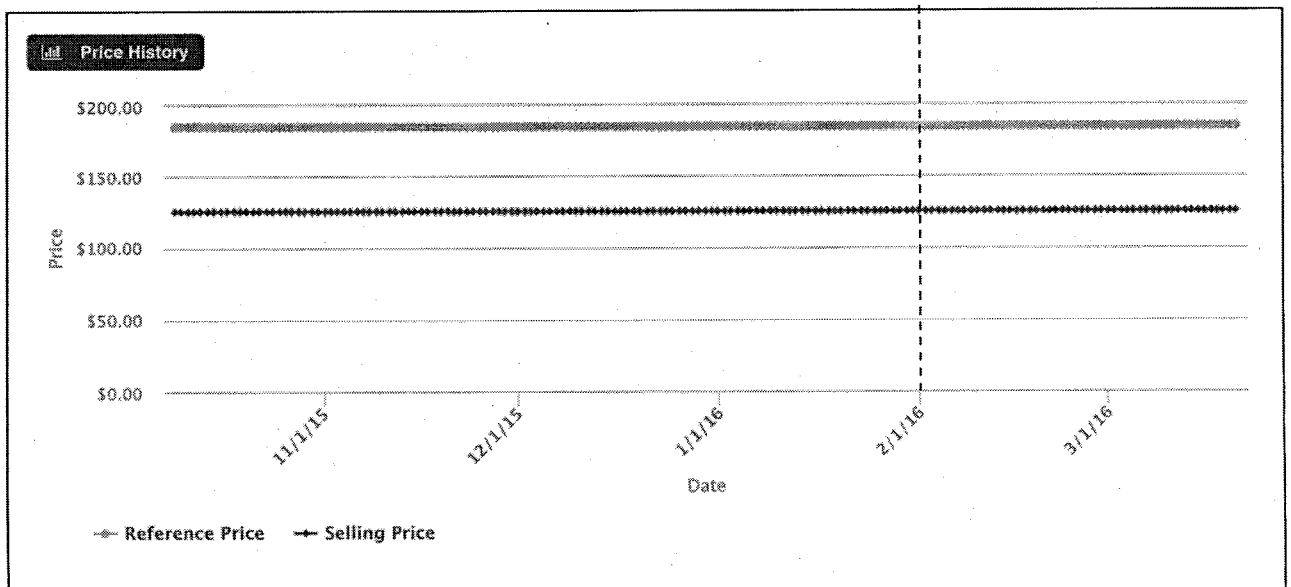
Printer-friendly version: [Printer-friendly version](#)  
 Captured On 02/01/16 at 05:20:51 AM EST Powered by Internet Archive



## EXHIBIT B

### Historical Pricing Chart – 1920s Eagle Lamp

2/1/2016

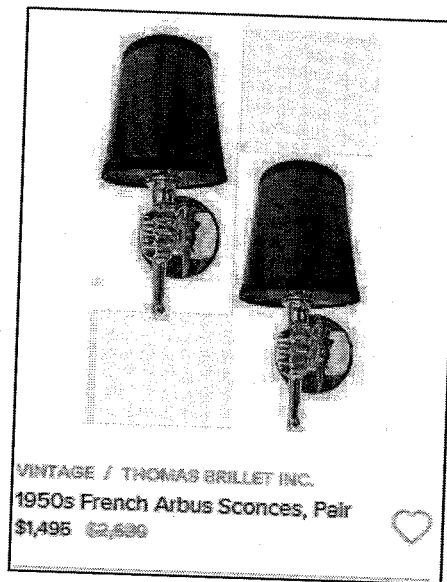


## EXHIBIT C

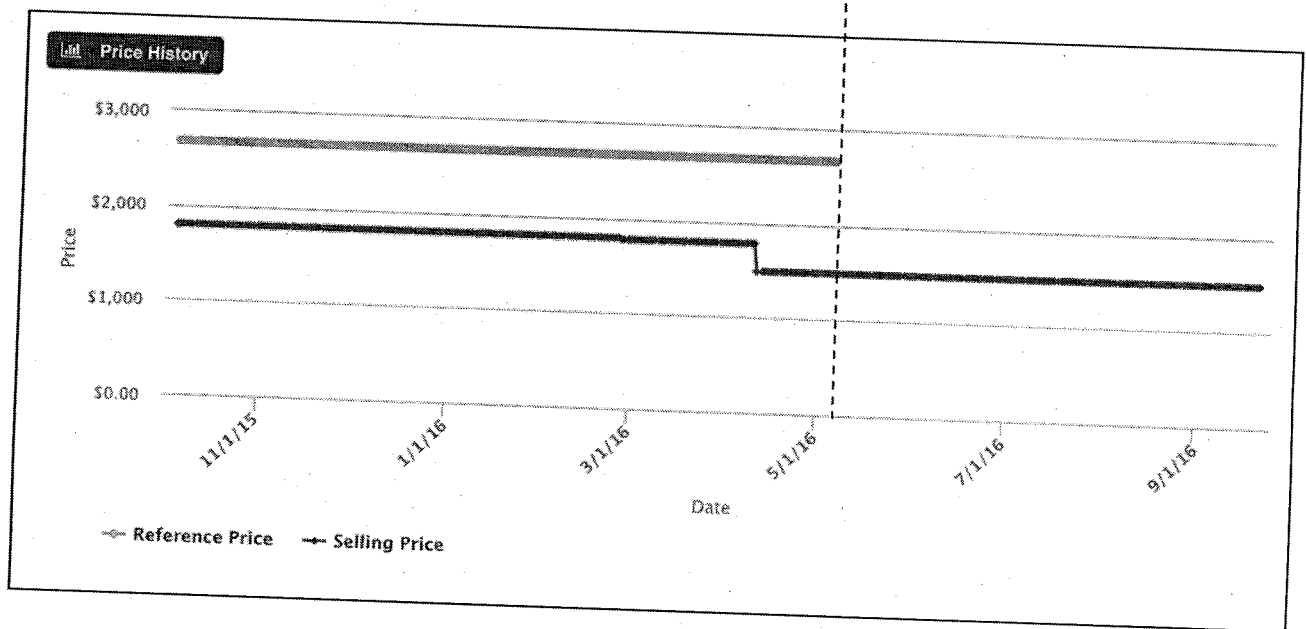
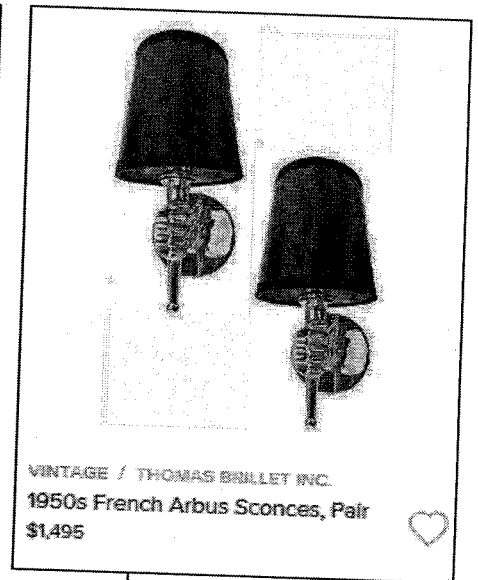
### Historical Pricing Chart – 1950s French Arbus Sconces

(Example of removal of reference prices on May 7, 2016)

5/6/2016



5/7/2016



## EXHIBIT D

### Historical Pricing Chart – Basiluzzo Citrus Basil Candle

(Example of false discount advertising continuing past May 7, 2016)



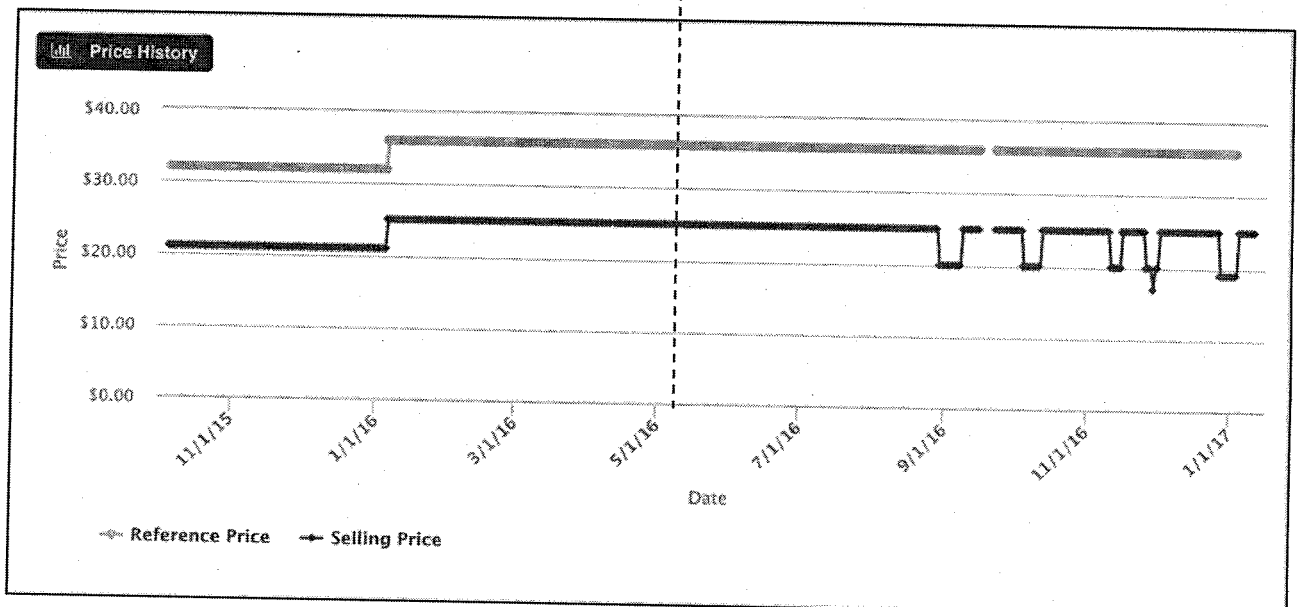
BARONESSA CALI

Basiluzzo Citrus Basil Candle, BL...

\$25 ~~\$35~~



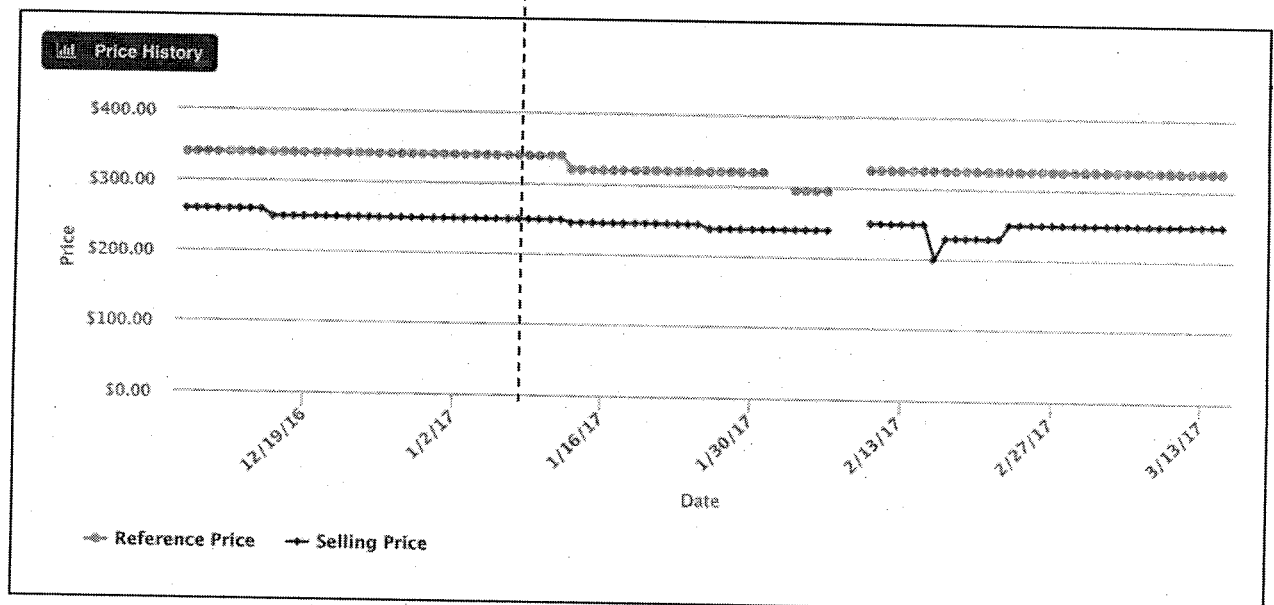
5/7/2016



## EXHIBIT E

### Historical Pricing Chart – One Kings Lane Collection Melrose Table Lamp

1/8/2017



# SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

## 1. Article Addressed to:

Debbie Popst, President  
One Kings Lane LLC  
315 Hudson St  
NY, NY 10013



9590 9403 0553 5173 1257 83

## 2. Article Number (Transfer from service label)

7015 0920 0002 2864

# COMPLETE THIS SECTION ON DELIVERY

## A. Signature

X

☐ Agent

☐ Addressee

## B. Received by (Printed Name)

HANNAH INNOCENT 3129118

## C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

## 3. Service Type

☐ Adult Signature

☐ Adult Signature Restricted Delivery

☒ Certified Mail®

☐ Certified Mail Restricted Delivery

☐ Collect on Delivery

☐ Collect on Delivery Restricted Delivery

cted Delivery

☐ Priority Mail Express®

☐ Registered Mail™

☐ Registered Mail Restricted Delivery

☐ Return Receipt for Merchandise

☐ Signature Confirmation™

☐ Signature Confirmation Restricted Delivery

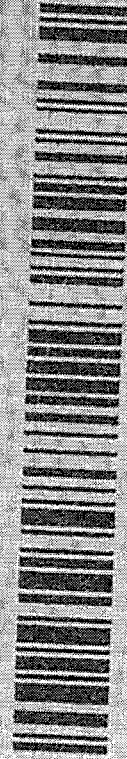


# SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Agent for One Kings Lane  
CSC-Lawrence Inc Service  
2710 Gateway Oaks Dr, Ste 150N  
Sacramento CA 95833-3505



9590 9403 0553 5173 1257 76

2. Article Number (Transfer from service label)

7015 0920 0002 2864 1531

PS Form 3811, April 2015 PSN 7530-02-000-9053

# COMPLETE THIS SECTION ON DELIVERY

A. Signature

*Kathryn Manning*  
B. Received by (Printed Name) ☒ Agent  
☐ Addressee

C. Date of Delivery

D. Is delivered to address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

APR 02 2018

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail®
- ☐ Certified Mail Restricted Delivery
- ☐ Collect on Delivery
- ☐ Collect on Delivery Restricted Delivery
- ☐ Mail Restricted Delivery
- ☐ Priority Mail Express®
- ☐ Registered Mail™
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature Confirmation™
- ☐ Signature Confirmation Restricted Delivery

Domestic Return Receipt

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

# EXHIBIT B

1 Daniel M. Hattis (SBN 232141)  
2 HATTIS & LUKACS  
3 P.O. Box 1645  
4 Bellevue, WA 98009  
5 Telephone: (650) 980-1990  
6 Facsimile: (425) 412-7171  
7 Email: [dan@hattislaw.com](mailto:dan@hattislaw.com)

8 Paul Karl Lukacs (SBN 197007)  
9 HATTIS & LUKACS  
10 1401 Twenty-First Street, Suite 400  
11 Sacramento, California 95811  
12 Telephone: (916) 282-9364  
13 Facsimile: (916) 444-8723  
14 Email: [pk1@hattislaw.com](mailto:pk1@hattislaw.com)

15 Attorneys for Plaintiff and the Proposed Class

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA

17 CITY AND COUNTY OF SAN FRANCISCO

18 UNLIMITED CIVIL

19 ELIZABETH HURST,  
20 Individually, As a Private Attorney  
21 General, and/or On Behalf of All Others  
22 Similarly Situated,

23 Plaintiff,

24 v.

25 ONE KINGS LANE LLC;  
26 ONE KINGS LANE INC.;  
27 BED BATH & BEYOND INC.;  
28 and DOES 1-20, inclusive,

Defendants.

Case No. \_\_\_\_\_

**DECLARATION OF DANIEL M. HATTIS  
PURSUANT TO THE CALIFORNIA  
CONSUMERS LEGAL REMEDIES ACT  
(CAL. CIVIL CODE § 1780(d))**

**[FILED CONCURRENTLY  
WITH COMPLAINT]**



1 I, DANIEL M. HATTIS, hereby declare and state as follows:

2 1. I am over the age of 18 years, I am a member in good standing of the State Bar of  
3 California, and I am an attorney of record in this civil action, in which I am representing Plaintiff  
4 Elizabeth Hurst. The facts contained herein are based on my personal knowledge except as to  
5 facts stated upon information and belief and, as to those, I believe it to be true.

6 2. This civil action pleads a cause of action for violation of the California Consumers  
7 Legal Remedies Act ("CLRA") against Defendant One Kings Lane LLC, Defendant One Kings  
8 Lane Inc. and Defendant Bed Bath & Beyond Inc. This civil action has been commenced in a  
9 county described in Section 1780(d) of the California Civil Code as a proper place for the trial of  
10 the action.

11 3. This action is being commenced in the City and County of San Francisco because  
12 that is a county in which each of Defendant One Kings Lane LLC, Defendant One Kings Lane  
13 Inc. and Defendant Bed Bath & Beyond Inc. is doing business.

14 4. Defendant One Kings Lane LLC and Defendant One Kings Lane Inc. are each  
15 doing business in the City and County of San Francisco by, without limitation, advertising and  
16 selling their goods and services through their One Kings Lane website ([www.onekingslane.com](http://www.onekingslane.com))  
17 to persons, including consumers, located in the City and County of San Francisco.

18 5. Defendant Bed Bath & Beyond Inc. is doing business in the City and County of  
19 San Francisco by, without limitation, operating a retail store at 555 Ninth Street in San Francisco,  
20 by advertising and selling its goods and services through its website  
21 ([www.bedbathandbeyond.com](http://www.bedbathandbeyond.com)) to persons, including consumers, located in the City and County  
22 of San Francisco, and, on information and belief, by dominating and controlling the conduct of  
23 Defendant One Kings Lane LLC and Defendant One Kings Lane Inc. in their advertising and  
24 selling of goods and services to persons, including consumers, located in the City and County of  
25 San Francisco.

26 6. In addition, the Defendants have consented to the City and County of San  
27 Francisco as the venue for this dispute. Specifically, the One Kings Lane Terms of Use, which  
28 states that it was posted to the One Kings Lane website on May 15, 2012, states, "You and One

DECLARATION OF DANIEL M. HATTIS  
RE: C.L.R.A. VENUE

1 Kings Lane agree that any such claims, causes of action or disputes shall be brought exclusively  
2 in courts located within the county of San Francisco, California, and you and One Kings Lane  
3 agree to submit to the personal and exclusive jurisdiction of such courts.”

4 I declare under penalty of perjury under the laws of the State of California that the  
5 foregoing is true and correct.

6 Executed on July 18, 2018, in King County, State of Washington.  
7  
8

9 

10 \_\_\_\_\_  
11 DANIEL M. HATTIS  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, Title, Bar number, and address): <b>Daniel M. Hattis, Esq. (SBN 232141)</b> <b>HATTIS &amp; LUKACS</b> P.O. Box 1645 Bellevue, Washington 98009 TELEPHONE NO: (650) 980-1990 FAX NO: (425) 412-7171		FOR COURT USE ONLY  <b>FILED</b> <i>San Francisco County Superior Court</i>  <b>JUL 20 2018</b>  <b>CLERK OF THE COURT</b> <i>Dr. [Signature]</i> Deputy Clerk	
ATTORNEY FOR (Name): <b>Plaintiff Elizabeth Hurst</b>			
SUPERIOR COURT OF CALIFORNIA, COUNTY OF <b>SAN FRANCISCO</b> STREET ADDRESS: <b>400 McAllister Street</b> MAILING ADDRESS: <b>400 McAllister Street</b> CITY AND ZIP CODE: <b>San Francisco, CA 94102</b> BRANCH NAME: <b>Civil Center Courthouse</b>			
CASE NAME: <b>ELIZABETH HURST v. ONE KINGS LANE LLC, et al.</b>			
<b>CIVIL CASE COVER SHEET</b> <input checked="" type="checkbox"/> <b>Unlimited</b> (Amount demanded exceeds \$25,000) <input type="checkbox"/> <b>Limited</b> (Amount demanded is \$25,000 or less)		<b>Complex Case Designation</b> <input type="checkbox"/> <b>Counter</b> <input type="checkbox"/> <b>Joinder</b> Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)	CASE NUMBER <b>CGC-18-568256</b> DEPT:

Items 1-6 below must be completed (see instructions on page 2).

<b>1. Check one box below for the case type that best describes this case:</b>		
<b>Auto Tort</b> <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) <b>Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort</b> <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) <b>Non-PI/PD/WD (Other) Tort</b> <input checked="" type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) <b>Employment</b> <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	<b>Contract</b> <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) <b>Real Property</b> <input type="checkbox"/> Eminent domain/Inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (26) <b>Unlawful Detainer</b> <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) <b>Judicial Review</b> <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	<b>Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403)</b> <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) <b>Enforcement of Judgment</b> <input type="checkbox"/> Enforcement of judgment (20) <b>Miscellaneous Civil Complaint</b> <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) <b>Miscellaneous Civil Petition</b> <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)

2. This case ☐ is ☒ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- |  |  |
|--|--|
| a. <input type="checkbox"/> Large number of separately represented parties   | d. <input type="checkbox"/> Large number of witnesses  |
| b. <input type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence   | f. <input type="checkbox"/> Substantial postjudgment judicial supervision  |
3. Remedies sought (check all that apply): a. ☒ monetary    b. ☒ nonmonetary; declaratory or injunctive relief    c. ☒ punitive
4. Number of causes of action (specify): **Five: UCL, False Advertising, Former Price Law, CLRA, Public Inj. Relief**
5. This case ☒ is ☐ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: July 20, 2018

Daniel M. Hattis, Esq., Counsel for Plaintiff

(TYPE OR PRINT NAME)



(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

**BY FAX**  
 ONE LEGAL LLC
**NOTICE**

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

## INSTRUCTIONS ON HOW TO COMPLETE THE COVER SHEET

**To Plaintiffs and Others Filing First Papers.** If you are filing a first paper (for example, a complaint) in a civil case, you must complete and file, along with your first paper, the *Civil Case Cover Sheet* contained on page 1. This information will be used to compile statistics about the types and numbers of cases filed. You must complete items 1 through 6 on the sheet. In item 1, you must check one box for the case type that best describes the case. If the case fits both a general and a more specific type of case listed in item 1, check the more specific one. If the case has multiple causes of action, check the box that best indicates the **primary** cause of action. To assist you in completing the sheet, examples of the cases that belong under each case type in item 1 are provided below. A cover sheet must be filed only with your initial paper. Failure to file a cover sheet with the first paper filed in a civil case may subject a party, its counsel, or both to sanctions under rules 2.30 and 3.220 of the California Rules of Court.

**To Parties in Rule 3.740 Collections Cases.** A "collections case" under rule 3.740 is defined as an action for recovery of money owed in a sum stated to be certain that is not more than \$25,000, exclusive of interest and attorney's fees, arising from a transaction in which property, services, or money was acquired on credit. A collections case does not include an action seeking the following: (1) tort damages, (2) punitive damages, (3) recovery of real property, (4) recovery of personal property, or (5) a prejudgment writ of attachment. The identification of a case as a rule 3.740 collections case on this form means that it will be exempt from the general time-for-service requirements and case management rules, unless a defendant files a responsive pleading. A rule 3.740 collections case will be subject to the requirements for service and obtaining a judgment in rule 3.740.

**To Parties in Complex Cases.** In complex cases only, parties must also use the *Civil Case Cover Sheet* to designate whether the case is complex. If a plaintiff believes the case is complex under rule 3.400 of the California Rules of Court, this must be indicated by completing the appropriate boxes in items 1 and 2. If a plaintiff designates a case as complex, the cover sheet must be served with the complaint on all parties to the action. A defendant may file and serve no later than the time of its first appearance a joinder in the plaintiff's designation, a counter-designation that the case is not complex, or, if the plaintiff has made no designation, a designation that the case is complex.

## CASE TYPES AND EXAMPLES

## Auto Tort

Auto (22)—Personal Injury/Property Damage/Wrongful Death  
Uninsured Motorist (46) (if the case involves an uninsured motorist claim subject to arbitration, check this item instead of Auto)

## Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort

Asbestos (04)  
Asbestos Property Damage  
Asbestos Personal Injury/Wrongful Death  
Product Liability (not asbestos or toxic/environmental) (24)  
Medical Malpractice (45)  
Medical Malpractice—Physicians & Surgeons  
Other Professional Health Care Malpractice  
Other PI/PD/WD (23)  
Premises Liability (e.g., slip and fall)  
Intentional Bodily Injury/PD/WD (e.g., assault, vandalism)  
Intentional Infliction of Emotional Distress  
Negligent infliction of Emotional Distress  
Other PI/PD/WD

## Non-PI/PD/WD (Other) Tort

Business Tort/Unfair Business Practice (07)  
Civil Rights (e.g., discrimination, false arrest) (not civil harassment) (08)  
Defamation (e.g., slander, libel) (13)  
Fraud (16)  
Intellectual Property (19)  
Professional Negligence (25)  
Legal Malpractice  
Other Professional Malpractice (not medical or legal)  
Other Non-PI/PD/WD Tort (35)

## Employment

Wrongful Termination (36)  
Other Employment (15)

## Contract

Breach of Contract/Warranty (06)  
Breach of Rental/Lease  
Contract (not unlawful detainer or wrongful eviction)  
Contract/Warranty Breach—Seller Plaintiff (not fraud or negligence)  
Negligent Breach of Contract/Warranty  
Other Breach of Contract/Warranty  
Collections (e.g., money owed, open book accounts) (09)  
Collection Case—Seller Plaintiff  
Other Promissory Note/Collections Case  
Insurance Coverage (not provisionally complex) (18)  
Auto Subrogation  
Other Coverage  
Other Contract (37)  
Contractual Fraud  
Other Contract Dispute

## Real Property

Eminent Domain/Inverse Condemnation (14)  
Wrongful Eviction (33)  
Other Real Property (e.g., quiet title) (26)  
Writ of Possession of Real Property  
Mortgage Foreclosure  
Quiet Title  
Other Real Property (not eminent domain, landlord/tenant, or foreclosure)

## Unlawful Detainer

Commercial (31)  
Residential (32)  
Drugs (38) (if the case involves illegal drugs, check this item; otherwise, report as Commercial or Residential)

## Judicial Review

Asset Forfeiture (05)  
Petition Re: Arbitration Award (11)  
Writ of Mandate (02)  
Writ—Administrative Mandamus  
Writ—Mandamus on Limited Court Case Matter  
Writ—Other Limited Court Case Review  
Other Judicial Review (39)  
Review of Health Officer Order  
Notice of Appeal—Labor Commissioner Appeals

## Provisionally Complex Civil Litigation (Cal. Rules of Court Rules 3.400–3.403)

Antitrust/Trade Regulation (03)  
Construction Defect (10)  
Claims Involving Mass Tort (40)  
Securities Litigation (28)  
Environmental/Toxic Tort (30)  
Insurance Coverage Claims (arising from provisionally complex case type listed above) (11)

## Enforcement of Judgment

Enforcement of Judgment (20)  
Abstract of Judgment (Out of County)  
Confession of Judgment (non-domestic relations)  
Sister State Judgment  
Administrative Agency Award (not unpaid taxes)  
Petition/Certification of Entry of Judgment on Unpaid Taxes  
Other Enforcement of Judgment Case

## Miscellaneous Civil Complaint

RICO (27)  
Other Complaint (not specified above) (42)  
Declaratory Relief Only  
Injunctive Relief Only (non-harassment)  
Mechanics Lien  
Other Commercial Complaint Case (non-tort/non-complex)  
Other Civil Complaint (non-tort/non-complex)

## Miscellaneous Civil Petition

Partnership and Corporate Governance (21)  
Other Petition (not specified above) (43)  
Civil Harassment  
Workplace Violence  
Elder/Dependent Adult Abuse  
Election Contest  
Petition for Name Change  
Petition for Relief From Late Claim  
Other Civil Petition